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

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 22, 2020

NEW ISSUE—FULL BOOK-ENTRY **RATINGS: S&P: "AA+"; Moody's: "Aaa"**
(See "MISCELLANEOUS – Ratings" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

$147,000,000*
SAN MATEO-FOSTER CITY SCHOOL DISTRICT
(San Mateo County, California)
2020 General Obligation Refunding Bonds
(Federally Taxable)

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

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page but not otherwise defined will have the meanings assigned thereto as provided in the Official Statement.

The San Mateo-Foster City School District (San Mateo County, California) 2020 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds") are being issued by the District to (i) advance refund all or portion of the District's General Obligation Bonds, Election of 2008, Series D and Election of 2015 General Obligation Bonds, Series A, and (ii) pay the costs of issuing the Bonds.

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of San Mateo County is empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), upon all property subject to taxation by the District, for the payment of the principal of and interest on the Bonds when due.

The Bonds will be dated as of their date of initial delivery, and will be issued as current interest bonds such that interest thereon will accrue from such initial delivery dates and be payable semiannually. Interest on the Bonds will be payable on February 1 and August 1 of each year, commencing August 1, 2020. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof.

The Bonds will be issued in book-entry form only, initially registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees. See "THE BONDS – Book-Entry Only System" herein.

Payments of principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as the designated 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 subject to optional and mandatory sinking fund redemption prior to maturity as further described herein*. See "THE BONDS – Redemption" herein.

Maturity Schedule*
(see inside front cover)

The Bonds will be offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain matters will be passed on for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel. Certain matters will be passed on for the Underwriters by Norton Rose Fulbright US LLP, Los Angeles, California. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about ________, 2020.

RBC Capital Markets STIFEL

This Official Statement is dated ________, 2020

* Preliminary, subject to change.

MATURITY SCHEDULE

Base CUSIP[1]: 799055

$147,000,000*
SAN MATEO-FOSTER CITY SCHOOL DISTRICT
(San Mateo County, California)
2020 General Obligation Refunding Bonds
(Federally Taxable)

$_________ Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[1] Suffix

$_________ – _____% Term Bonds due August 1, ____ – Yield: _____%; CUSIP[1] Suffix: ___

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* Preliminary, subject to change.

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriters, the Municipal Advisor or the District is responsible for the selection or correctness of the CUSIP numbers set forth herein, and no representation is made as to their correctness on the applicable Bonds or as included herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriters and are included solely for the convenience of the registered owners of the applicable Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(2) Yield to call at par on August 1, 20__.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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

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

The Underwriters have provided the following sentence for inclusion in this Official Statement: "The Underwriters have 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 Underwriters do not guarantee the accuracy or completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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

The District maintains a website and certain social media accounts. However, the information presented on the District's website and such accounts 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.

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
San Francisco, California

Municipal Advisor

Keygent LLC
El Segundo, California

Paying Agent/Escrow Agent

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

Escrow Verification

Causey, Demgen & Moore, PC
Denver, Colorado

TABLE OF CONTENTS

Page

TABLE OF CONTENTS (cont'd)

$147,000,000*
SAN MATEO-FOSTER CITY SCHOOL DISTRICT
(San Mateo County, California)
2020 General Obligation Refunding Bonds
(Federally Taxable)

INTRODUCTION

This Official Statement, which includes the cover page, inside cover pages and appendices hereto, provides information in connection with the sale of San Mateo-Foster City School District (San Mateo County, California) 2020 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds").

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 San Mateo-Foster City School District (the "District") is a community funded district (as described herein), located in the greater San Francisco Bay Area of Northern California, serves the communities of San Mateo and Foster City, as well as certain unincorporated areas in the central portion of San Mateo County (the "County"). The District operates 15 elementary schools (grades K-5), one Montessori school (grades K-8) and four middle schools (grades 6-8). The 2019-20 assessed valuation of the area served by the District is $41,476,165,646. The District's average daily attendance for fiscal year 2018-19 was 11,269. The District has projected its average daily attendance for fiscal year 2019-20 will be 11,127.

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. Dr. Joan Rosas is currently the District Superintendent.

See "TAX BASE FOR REPAYMENT OF BONDS" herein for more information regarding the District's assessed valuation, and "DISTRICT FINANCIAL INFORMATION" and "SAN MATEO-FOSTER CITY SCHOOL DISTRICT" herein for more information regarding the District generally. The District's audited financial statements for the fiscal year ended June 30, 2019 are attached hereto as APPENDIX B and should be read in their entirety.

In order to curb the potential spread of the novel coronavirus known as COVID-19, on March 12, 2020 the Board of Trustees made the initial decision to close all District schools, and on April 7, 2020, the San Mateo County Office of Education, in conjunction with public health officers and the County Superintendents of Schools for five other County Offices of Education in the bay area, extended school closures in the respective counties through at least the end of June 2020. On April 7, 2020, the Superintendent announced that District schools would remain closed for in-person learning for the

* Preliminary, subject to change.

remainder of the school year, but would continue to implement distance learning. See "DISTRICT FINANCIAL INFORMATION– State Funding of Education – Local Control Funding Formula; Coronavirus." See also "TAX BASE FOR REPAYMENT OF THE BONDS –Assessed Valuations" regarding risks related to outbreaks of disease and other factors that may affect the assessed value of property within the District.

Purpose of the Bonds

The Bonds are being issued to (i) advance refund all or a portion of the District's outstanding General Obligation Bonds, Election of 2008, Series D (the "2008 Series D Bonds") and Election of 2015 General Obligation Bonds, Series A (the "2015 Series A Bonds", and together with the 2008 Series D Bonds, the "Prior Bonds"), and (ii) pay the costs of issuing the Bonds.

The Prior Bonds to be refunded with proceeds of the Bonds are referred to as the "Refunded 2008 Series D Bonds" and the "Refunded 2015 Series A Bonds," respectively, and collectively referred to herein as the "Refunded Bonds."

See also "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the Government Code and pursuant to a resolution adopted by the District Board on March 12, 2020. See "THE BONDS – Authority for Issuance" herein.

Sources of Payment for the Bonds

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

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), who will act as securities depository for the Bonds. See "THE BONDS – General Provisions" and "– Book-Entry Only System" herein. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution (as defined herein). See "THE BONDS – Discontinuation of Book-Entry Only System; Registration, Payment and Transfer of Bonds" herein.

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

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

Redemption.* The Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturity dates as further described herein. See "THE BONDS – Redemption" herein.

Payments. The Bonds will be dated as of their date of initial delivery (the "Date of Delivery") and will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery and be payable semiannually on each February 1 and August 1 of each year (each, a "Bond Payment Date"), commencing August 1, 2020. Principal of the Bonds is payable on August 1 in the amounts and years as set forth on the inside cover pages hereof.

Payments of the principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners of the Bonds.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein.

Offering and Delivery of the Bonds

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

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District, and certain other considerations related thereto, see "TAX BASE FOR REPAYMENT OF BONDS" and "LIMITATION ON REMEDIES; BANKRUPTCY" herein.

Continuing Disclosure

Pursuant to that certain Continuing Disclosure Certificate relating to the Bonds, the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events. The specific nature of the information to be made available and of the notices of listed events is summarized below under "LEGAL MATTERS – Continuing Disclosure" and "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS"

* Preliminary, subject to change.

herein. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule").

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Keygent LLC, El Segundo, California is acting as Municipal Advisor to the District with respect to the Bonds. Norton Rose Fulbright US LLP, Los Angeles, California, is acting as counsel to the Underwriters (as defined herein) with respect to the Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation and Keygent LLC will receive compensation from the District contingent upon the sale and delivery of the Bonds. From time to time, Bond Counsel represents the Underwriters on matters unrelated to the Bonds or the District.

Forward Looking Statements

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

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

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the San Mateo-Foster City School District, San Mateo-Foster City School District, 1170 Chess Drive, Foster City, California 94404. The District may impose a charge for copying, mailing and handling.

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

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

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

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of the Government Code and other applicable law, and pursuant to a resolution of the Board adopted on March 12, 2020 (the “Resolution”).

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The County Board is empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), upon all property within the District subject to taxation thereby for the payment of the principal of and interest on the Bonds when due. Such *ad valorem* property taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. While the County has historically levied *ad valorem* property taxes to establish such a reserve for other bonds of the District, 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 in future years. Such taxes, when collected, will be placed by the County in the Debt Service Fund (defined herein) for the Bonds created by the Resolution, which are segregated and maintained by the County and which are designated for the payment of the principal of and interest on the Bonds when due, and for no other purpose. Pursuant to the Resolution, the District had pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds, and the County will maintain the Debt Service Fund, the Bonds are not a debt of the County.

Moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds, as the same becomes due and payable, will be transferred by the County to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The amount of the annual *ad valorem* property taxes levied by the County to repay the Bonds as described above 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 in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land values, outbreak of disease, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State of California (the "State") and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, drought, fire, wildfire or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution", "TAX BASE FOR REPAYMENT OF BONDS", and "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Outbreak of Disease; Coronavirus" herein.

Statutory Liens

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

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

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 for DTC. Beneficial Owners will not receive physical certificates representing their interests in the Bonds. The Bonds will be dated as of the Date of Delivery.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery and be payable semiannually on each Bond Payment Date, commencing August 1, 2020. Interest on the Bonds will be computed on the basis of a 360-day year of 12, 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2020, in which event it shall bear interest from the Date of Delivery. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds mature on August 1 in the years and amounts set forth on the inside cover pages hereof.

Payment of interest on any Bond on any Bond Payment Date will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the 15^{th} day of the month immediately preceding such Bond Payment Date (the "Record Date"), such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal of and redemption premiums, if any, payable on the Bonds shall be payable upon maturity upon surrender at the principal office of the Paying Agent. The principal of, and interest, and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered Owner of the Bonds,

Application and Investment of Bond Proceeds

The Bonds are being issued to: (i) advance refund the Prior Bonds, and (ii) pay the costs of issuing the Bonds.

The net proceeds of the Bonds will be deposited with The Bank of New York Mellon Trust Company, N.A., to the credit of an escrow fund (the "Escrow Fund") held pursuant to an escrow agreement by and between the District and the Escrow Agent. Amounts deposited in the Escrow Fund will be used to purchase certain non-callable direct and general obligations of the United States of America, or non-callable obligations the payment of which is unconditionally guaranteed by the United States of America (collectively, the "Federal Securities"), the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to (i) pay the redemption price of the Refunded 2015 Series A Bonds and certain of the Refunded 2008 Series D Bonds, as described below, on the respective first optional redemption dates therefor, as well as the interest due thereon on and before such dates, (ii) pay the principal of and interest on the Refunded 2008 Series D Bonds maturing on August 1, 2020 through and including August 1, 2025, as the same become due and payable. The table below shows information on the specific maturities of the Prior Bonds to be refunded with proceeds of the Bonds.

PRIOR BONDS[*]
San Mateo-Foster City School District
General Obligation Bonds, Election of 2008, Series D

Maturity Date (August 1)	CUSIP[†]	Principal Amount	Outstanding Principal to be Refunded	Interest Rate	Redemption Date	Redemption Price (% of Principal Amount)
2020	799055PE2	$725,000	$725,000	5.000%	--	--
2021	799055PF9	915,000	915,000	5.000	--	--
2022	799055PG7	1,145,000	1,145,000	5.000	--	--
2023	799055PH5	1,605,000	1,605,000	5.000	--	--
2024	799055PJ1	270,000	270,000	5.000	--	--
2025	799055PK8	640,000	640,000	5.000	--	--
2026	799055PL6	900,000	900,000	5.000	August 1, 2025	100%
2027	799055PM4	300,000	300,000	5.000	August 1, 2025	100
2028	799055PN2	175,000	175,000	5.000	August 1, 2025	100
2029	799055PP7	110,000	110,000	3.000	August 1, 2025	100
2030	799055PQ5	160,000	160,000	3.000	August 1, 2025	100
2031	799055PR3	215,000	215,000	3.125	August 1, 2025	100
2032	799055PS1	270,000	270,000	3.250	August 1, 2025	100
2033	799055PT9	305,000	305,000	3.375	August 1, 2025	100
2034	799055PU6	365,000	365,000	3.375	August 1, 2025	100
2035	799055PV4	420,000	420,000	3.500	August 1, 2025	100
2044	799055PW2	50,270,000	50,270,000	4.000	August 1, 2025	100

[*] Preliminary, subject to change.

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriters, the Municipal Advisor or the District is responsible for the selection, uses or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriters and are included solely for the convenience of the registered owners of the applicable Bonds and Refunded Bonds. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and Refunded Bonds.

PRIOR BONDS*
San Mateo-Foster City School District
Election of 2015 General Obligation Bonds, Series A

Maturity Date (August 1)	CUSIP†	Principal Amount	Outstanding Principal to be Refunded	Interest Rate	Redemption Date	Redemption Price (% of Principal Amount)
2026	799055 QA9	$595,000	$595,000	5.000%	August 1, 2025	100%
2027	799055 QB7	770,000	770,000	2.000	August 1, 2025	100
2028	799055 QC5	940,000	940,000	4.000	August 1, 2025	100
2029	799055 QD3	1,135,000	1,135,000	4.000	August 1, 2025	100
2030	799055 QE1	1,350,000	1,350,000	3.000	August 1, 2025	100
2031	799055 QF8	1,565,000	1,565,000	4.500	August 1, 2025	100
2032	799055 QG6	1,825,000	1,825,000	4.000	August 1, 2025	100
2033	799055 QH4	2,090,000	2,090,000	4.000	August 1, 2025	100
2034	799055 QJ0	2,380,000	2,380,000	4.000	August 1, 2025	100
2035	799055 QK7	2,685,000	2,685,000	3.000	August 1, 2025	100
2036	799055 QL5	2,990,000	2,990,000	3.000	August 1, 2025	100
2040	799055 QM3	15,605,000	15,605,000	4.000	August 1, 2025	100
2045	799055 QN1	30,200,000	30,200,000	4.000	August 1, 2025	100

The *ad valorem* taxes levied by the County for the payment of the Bonds will be kept separate and apart in a debt service fund created by the Resolution (the "Debt Service Fund") and used only for payment of principal of and interest on the Bonds, and for no other purpose. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. If, after payment in full of the Bonds, there are monies remaining in the Debt Service Fund, said monies will be transferred to the general fund of the District as provided and permitted by law.

Escrow Sufficiency. The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to pay the redemption price of and the accrued interest due on the Refunded Bonds on the above-referenced redemption date, as described above, will be verified by Causey Demgen & Moore P.C. (the "Verification Agent"). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the Underwriters' and Verification Agent's computations, the Prior Bonds will be defeased as of the Closing Date, and the obligation of the County to levy *ad valorem* property taxes for the payment thereof will terminate on such date.

Investment of Funds. Moneys in the Debt Service Fund are expected to be invested through the County's pooled investment fund. See "APPENDIX E - SAN MATEO COUNTY TREASURY POOL" herein.

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* Preliminary, subject to change.

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Annual Debt Service

The following table shows the annual debt service requirements of the Bonds (assuming no optional redemptions).

Year Ending August 1	Annual Principal Payment	Annual Interest Payment[(1)]	Total Debt Service

(1) Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2020.

See also "SAN MATEO-FOSTER CITY SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds" herein for a full debt service schedule for all of the District's general obligation bonded debt.

Redemption

***Optional Redemption**.** The Bonds maturing on and before August 1, 20__ are not subject to redemption prior to their stated maturity dates. The Bonds maturing on and after August 1, 20__ may be redeemed prior to their respective stated maturity dates at the option of the District, from any source of funds, in whole or in part, on August 1, 20__ or on any date thereafter, at a redemption price equal to the principal amount of such Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

***Mandatory Sinking Fund Redemption**.** The Bonds maturing on August 1, 20__ (the "Term Bonds") are subject to redemption prior to maturity from mandatory sinking fund payments on August 1

* Preliminary, subject to change.

of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof as of the date fixed for redemption, together with interest accrued to the date set for such redemption, without premium. The principal amount of the Term Bonds to be so redeemed and the redemption dates therefor, and the final payment date is as indicated in the following table.

Redemption Date (August 1)	Principal Amount

(1) Maturity.

In the event that a portion of the Term Bonds maturing on August 1, 20__ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed

Selection of Bonds for Redemption. Whenever provision is made for the redemption of Bonds and less than all Bonds of a series are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent, shall select Bonds for redemption as directed by the District and, if nor so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that, with respect to redemption by lot, the portion of any Bond to be redeemed in part shall be in a principal amount of $5,000, or any integral multiple thereof.

Redemption Notice. When optional redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a "Redemption Notice") of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, or overnight delivery service, to one of the Information Services; and (d) provide such Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

"Information Services" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

"Securities Depository" shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Payment of Redeemed Bonds. When a Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is irrevocably set aside in trust for that purpose, as described in "—Defeasance," the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

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

Effect of Redemption Notice. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest accrued to such redemption date, is held by an independent escrow agent selected by the District so as to be available therefor on such redemption date as described in "—Defeasance," and if a Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable.

Rescission of Redemption Notice. With respect to any Redemption Notice in connection with the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased as described in "—Defeasance," such Redemption Notice will state that such redemption will be conditional upon the receipt by an independent escrow agent selected by the District, on or prior to the date fixed for such redemption, of the moneys necessary and sufficient to pay the principal, and premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the

Redemption Notice was given that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of the rescission of such Redemption Notice in the same manner as such notice was originally provided.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued interest thereon to the date fixed for redemption, then such Bonds will no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but none of the District, the Municipal Advisor or the Underwriters take any responsibility for the accuracy or completeness thereof. The District and the Underwriters cannot and do not give any assurances that DTC, DTC Direct Participants or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (a) payments of interest on, principal of or premium, if any, on the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered Owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with Participants are on file with DTC.

The Depository Trust Company, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, each 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 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants," and together with the Direct Participants, the "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. However, the information presented on such website is not incorporated herein by any reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each 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 the 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions 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, 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 or distributions 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.

For every transfer and exchange of Bonds, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax, governmental charge or transfer fees that may be imposed in relation thereto, which charge may include transfer fees imposed by the Paying Agent, DTC or the DTC Participant in connection with such transfers or exchanges.

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 the Owners thereof.

Discontinuation of Book-Entry Only System; Registration, Payment and Transfer of Bonds

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its principal office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, registration, transfer, exchange and replacement of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated office of the Paying Agent, initially located in Dallas, Texas. Interest on the Bonds will be paid by the Paying Agent by wire to a bank and account number on file with the Paying Agent as of the Record Date.

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

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date, or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date, or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

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

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal thereof, accrued interest thereon and redemption premiums, if any, at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with amounts transferred from the Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance, including all principal thereof, interest thereon and redemption premiums, if any, at or before their maturity date;

then, notwithstanding that any such maturities of Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such outstanding Bonds designated for defeasance shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), and obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed by S&P Global Ratings ("S&P") or Moody's Investors Service ("Moody's") at least as high as direct and general obligations of the United States of America.

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds

Principal Amount of Bonds
Original Issue Premium

Total Sources

Uses of Funds

Costs of Issuance[1]
Deposit to Escrow Fund

Total Uses

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(1) Reflects all costs of issuance, including but not limited to the underwriting discount, credit rating fees, printing costs, legal and Municipal Advisory fees, and the costs and fees of the Paying Agent, Escrow Agent and Verification Agent (as applicable). See also "MISCELLANEOUS – Underwriting" herein.

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TAX BASE FOR REPAYMENT OF BONDS

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

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same rolls as special district property taxes. Assessed valuations are the same for both the District and the County's taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located 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 which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." A supplemental roll is developed when property changes hands or new construction is completed. The County levies and collects all property taxes for property falling within the County's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are due in two installments, November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a minimum 10% penalty attaches to any delinquent installment plus a $10 cost on the second installment, plus any additional amount determined by the County Treasurer (the "Treasurer"). Property on the secured roll with delinquent taxes is declared tax-defaulted on or about June 30 of the calendar year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a minimum $15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if they are not paid by August 31. In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year, and a lien may be recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. Information regarding District-wide tax delinquencies is not currently available. See also "—Alternative Method of Tax Apportionment – Teeter Plan" herein.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including school districts, share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

Assessed Valuations

The assessed valuation of property in the District is established by the tax assessing authority for the county in which such property is located, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full cash value" of the property, as defined in Article XIIIA of the California Constitution. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" herein.

Property within the District had a total assessed valuation for fiscal year 2019-20 of $41,476,165,646. The following table represents a 10-year history of assessed valuations in the District, as of the date the equalized assessment tax roll is established in August of each year, excluding any exemptions granted after such date in each year:

ASSESSED VALUATION
Fiscal Years 2010-11 through 2019-20
San Mateo-Foster City School District

Fiscal Year	Local Secured	Utility	Unsecured	Total	Annual % Change[1]
2010-11	$22,529,016,027	$2,180,018	$790,579,701	$23,321,775,746	--
2011-12	22,761,190,240	747,986	771,503,621	23,533,441,847	0.91%
2012-13	23,432,098,327	747,994	777,734,777	24,210,581,098	2.88
2013-14	25,244,715,116	747,980	815,900,409	26,061,363,505	7.64
2014-15	26,841,700,138	747,932	879,096,671	27,721,544,741	6.37
2015-16	29,253,542,409	2,673,254	908,854,201	30,165,069,864	8.81
2016-17	31,738,553,850	2,673,169	892,785,575	32,634,012,594	8.18
2017-18	34,498,738,748	2,673,138	877,027,352	35,378,439,238	8.41
2018-19	37,322,829,391	2,673,097	961,776,232	38,287,278,720	8.22
2019-20	40,386,992,263	3,294,911	1,085,878,472	41,476,165,646	8.33

[1] Provided by the Underwriters.
Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as general market decline in property values, outbreak of disease, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, wildfire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" and "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Outbreak of Disease; Coronavirus" herein.

Appeals and Adjustments of Assessed Valuations. Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization ("SBE"), with the appropriate county board of equalization or assessment appeals board. The County Assessor may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, drought, fire, or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS — Article XIIIA of the California Constitution" herein.

No assurance can be given that property tax appeals currently pending or in the future, actions by the County assessor, or other factors in the future will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 ("AB 102"). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear tax appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities.

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Assessed Valuation and Parcels by Land Use. The following table shows the distribution of taxable property within the District by principal use, as measured by assessed valuation and parcels in fiscal year 2019-20.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2019-20
San Mateo-Foster City School District

Non-Residential:	2019-20 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Commercial/Office	$7,337,140,018	18.17%	1,048	2.73%
Industrial	2,085,201,335	5.16	247	0.64
Recreational	72,294,788	0.18	80	0.21
Institutional	198,298,037	0.49	194	0.50
Miscellaneous	109,957,607	0.27	217	0.56
Subtotal Non-Residential	$9,802,891,785	24.27%	1,786	4.64%
Residential:				
Single Family Residence	$20,179,519,385	49.97%	26,092	67.85%
Condominium/Townhouse	5,063,575,881	12.54	8,746	22.74
Hotel/Motel	396,560,557	0.98	19	0.05
2-4 Residential Units	827,114,955	2.05	1,106	2.88
5+ Residential Units	3,944,900,850	9.77	409	1.06
Subtotal Residential	$30,411,671,628	75.30%	36,372	94.59%
Vacant Parcels	$172,428,850	0.43%	295	0.77%
Total	$40,386,992,263	100.00%	38,453	100.00%

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

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Assessed Valuation of Single Family Homes. The following table shows the distribution of single family homes within the District among various fiscal year 2019-20 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2019-20
San Mateo-Foster City School District

	No. of Parcels	2019-20 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	26,092	$20,179,519,385	$773,399	$658,338

2019-20 Assessed Valuation	No. of Parcels [1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	1,188	4.553%	4.553%	$99,998,711	0.496%	0.496%
100,000 - 199,999	3,287	12.598	17.151	462,725,939	2.293	2.789
200,000 - 299,999	1,698	6.508	23.659	425,328,968	2.108	4.896
300,000 - 399,999	1,988	7.619	31.278	698,437,284	3.461	8.357
400,000 - 499,999	1,915	7.339	38.617	862,128,436	4.272	12.630
500,000 - 599,999	1,935	7.416	46.033	1,063,562,199	5.271	17.900
600,000 - 699,999	1,759	6.742	52.775	1,143,339,533	5.666	23.566
700,000 - 799,999	1,766	6.768	59.543	1,323,894,045	6.561	30.127
800,000 - 899,999	1,651	6.328	65.871	1,402,614,778	6.951	37.077
900,000 - 999,999	1,521	5.829	71.700	1,444,395,067	7.158	44.235
1,000,000 - 1,099,999	1,272	4.875	76.575	1,333,801,412	6.610	50.845
1,100,000 - 1,199,999	1,021	3.913	80.488	1,171,248,443	5.804	56.649
1,200,000 - 1,299,999	829	3.177	83.665	1,035,661,889	5.132	61.781
1,300,000 - 1,399,999	756	2.897	86.563	1,020,456,621	5.057	66.838
1,400,000 - 1,499,999	690	2.644	89.207	997,331,878	4.942	71.780
1,500,000 - 1,599,999	560	2.146	91.354	867,047,994	4.297	76.077
1,600,000 - 1,699,999	440	1.686	93.040	725,796,788	3.597	79.674
1,700,000 - 1,799,999	321	1.230	94.270	560,540,264	2.778	82.451
1,800,000 - 1,899,999	271	1.039	95.309	500,460,008	2.480	84.932
1,900,000 -1,999,999	222	0.851	96.160	431,894,298	2.140	87.072
2,000,000 and greater	1,002	3.840	100.000	2,608,854,830	12.928	100.000
	26,092	100.000%		$20,179,519,385	100.000%	

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

Assessed Valuation by Jurisdiction. The following table shows the assessed valuation by jurisdiction for fiscal year 2019-20.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2019-20
San Mateo-Foster City School District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Foster City	$12,034,366,957	29.02%	12,046,171,424	99.90%
City of San Mateo	28,148,271,826	67.87	28,752,793,507	97.90
Unincorporated San Mateo County	1,293,526,863	3.12	22,979,848,504	5.63
Total District	$41,476,165,646	100.00%		
San Mateo County	$41,476,165,646	100.00%	$239,314,124,190	17.33%

Source: California Municipal Statistics, Inc.

Tax Rates

The following table summarizes the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities in a typical tax rate area (a "TRA") within the District during the five-fiscal year period from 2015-16 to 2019-20.

SUMMARY OF *AD VALOREM* TAX RATES[(1)]
Fiscal Years 2015-16 through 2019-20
(Tax Rate Area TRA 12-001)
San Mateo-Foster City School District

	2015-16	2016-17	2017-18	2018-19	2019-20
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
City of San Mateo Bond	.0102	.0090	.0084	.0077	.0071
San Mateo-Foster City School District Bond	.0402	.0546	.0542	.0530	.0437
San Mateo Union High School District Bond	.0466	.0415	.0433	.0407	.0385
San Mateo Community College District Bond	.0250	.0247	.0235	.0175	.0266
Total	1.1220%	1.1298%	1.1294%	1.1189%	1.1159%

(1) 2019-20 assessed valuation is $23,066,083,337, which is 55.61% of the district's total assessed valuation.
Source: California Municipal Statistics, Inc.

Tax Levies, Collections and Delinquencies

The following table shows secured *ad valorem* taxes for the payment of bonded indebtedness of the District, and amounts delinquent as of June 30, for fiscal years 2009-10 through 2018-19.

SECURED TAX CHARGES AND DELINQUENCY RATES
Fiscal Years 2009-10 through 2018-19
San Mateo-Foster City School District

Tax Year	Secured Tax Charge[1]	Amount Delinquent June 30	Percent Delinquent June 30
2009-10	$7,370,686.64	$117,824.43	1.60%
2010-11	7,618,603.96	95,963.50	1.26
2011-12	7,836,369.22	72,163.62	0.92
2012-13	7,866,058.25	48,412.39	0.62
2013-14	10,544,800.37	45,855.12	0.43
2014-15	10,349,473.43	47,060.41	0.45
2015-16	11,699,289.75	42,337.65	0.36
2016-17	17,180,679.53	79,283.69	0.46
2017-18	18,628,307.39	54,802.84	0.29
2018-19	19,892,591.78	102,896.23	0.52

(1) Bond debt service levy only.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment - Teeter Plan

The County Board has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency, or for which the County's treasury is the legal depository of the tax collections.

If the Teeter Plan remains in effect during the term of the Bonds, the District will receive 100% of the secured *ad valorem* property tax levied in the County to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County. The District can give no assurance that the Teeter Plan will remain in effect in its present form, or in any form, during the term of the Bonds.

The Teeter Plan is to remain in effect unless the County Board orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1 for the County), the County Board receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County, in which event the County Board is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The County Board may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in such county if the rate of secure tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event the County Board is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which such county acts as the tax-levying or tax-collecting agency.

There can be no assurance that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Outbreak of Disease; Coronavirus." However, notwithstanding any possible future change to or discontinuation of the Teeter Plan, State law requires the County to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

Principal Taxpayers

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2019-20 secured assessed valuations. 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.

20 LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2019-20
San Mateo-Foster City School District

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total [(1)]
1.	Gilead Sciences Inc.	Industrial	$2,192,428,532	5.43%
2.	BMR Lincoln Center LP	Industrial	351,813,918	0.87
3.	Franklin Templeton Corporate Services Inc.	Office Building	347,626,701	0.86
4.	Hudson Metro Center, LLC, Lessee	Industrial	342,151,356	0.85
5.	HSC Holdings	Shopping Center	323,892,177	0.80
6.	Visa USA Inc.	Office Building	230,789,688	0.57
7.	TR Parkside Towers Corp.	Office Building	225,289,700	0.56
8.	HG Clearview Owner LLC	Office Building	221,370,336	0.55
9.	BCSP Crossroads Property LLC	Offifce Building	218,396,605	0.54
10.	Essex Portfolio LP	Apartments	218,077,947	0.54
11.	ASN Bay Meadows I LLC & Bay Meadows II LLC	Apartments	216,054,222	0.53
12.	HGP San Mateo Owner LLC	Office Building	203,935,416	0.50
13.	BEX FMCA LLC	Apartments	192,752,647	0.48
14.	Rakuten CHW LLC	Office Building	186,751,800	0.46
15.	Hospitality Investment LLC, Lessee	Hotel	182,811,037	0.45
16.	Park Place Holdco LLC	Office Building	172,741,549	0.43
17.	Sobrato Interests 3	Office Building	169,941,299	0.42
18.	Bay Meadows Station 4 Investors LLC	Office Building	162,493,345	0.40
19.	SF Hillsdale 20102012 LLC	Apartments	152,958,838	0.38
20.	Fashion Island Owner LLC	Office Building	147,736,800	0.37
			$6,460,013,913	16.00%

[(1)] 2019-20 local secured assessed valuation: $40,386,992,263.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. effective as of March 1, 2020, for debt issued as of March 1, 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.

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

STATEMENT OF DIRECT AND OVERLAPPING DEBT
San Mateo-Foster City School District

2019-20 Assessed Valuation: $41,476,165,646

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 3/1/20**
San Mateo Community College District	17.331%	$132,873,918
San Mateo Union High School District	49.657	262,018,449
San Mateo-Foster City School District	**100.000**	**255,019,767**[1]
City of San Mateo	97.898	18,600,620
City of San Mateo Community Facilities District No. 2008-1	100.000	84,345,000
Midpeninsula Regional Open Space Park District	0.006	5,329
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$752,863,083
OVERLAPPING GENERAL FUND DEBT:		
San Mateo County General Fund Obligations	17.331	$91,960,063
San Mateo County Board of Education Certificates of Participation	17.331	1,410,743
City of San Mateo General Fund Obligations	97.898	23,769,634
Highland Recreation District General Fund Obligations	100.000	2,422,000
Midpeninsula Regional Open Space Park District General Fund Obligations	0.006	6,719
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$119,569,159
Less: City of San Mateo obligations supported by enterprise funds		14,552,538
Highland Recreation District supported obligations		1,889,160
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$103,127,461
OVERLAPPING TAX INCREMENT DEBT:		
Successor Agency to San Mateo Redevelopment Agency Tax Allocation Bonds	100.00%	$50,735,000
TOTAL OVERLAPPING TAX INCREMENT DEBT		$50,735,000
GROSS COMBINED TOTAL DEBT		$923,167,242 [2]
NET COMBINED TOTAL DEBT		$906,725,544

Ratios to 2019-20 Assessed Valuation:
Direct Debt ($255,019,767).. 0.61%
Total Direct and Overlapping Tax and Assessment Debt...... 1.82%
Gross Combined Total Debt... 2.23%
Net Combined Total Debt... 2.19%

Ratio to 2015-16 Redevelopment Incremental Valuation ($2,364,494,471):
Overlapping Tax Increment Debt 2.15%

(1) Excludes Bond described herein and includes the Refunded Bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the County on taxable property within the District in an amount sufficient for the payment thereof. (See "THE BONDS – Security and Sources of Payment" herein) Articles XIIIA, XIIIB, XIIIC and XIIID of the 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 to 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 County to levy taxes for payment of the Bonds.*

Article XIIIA of the California Constitution

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

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

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

Split Roll Property Tax Ballot Measure. On October 15, 2018, a proposed ballot initiative became eligible for the November 2020 Statewide ballot (the "2020 Ballot Measure"). If approved by a majority of voters casting a ballot at the November 2020 Statewide election, the 2020 Ballot Measure would amend Article XIIIA such that the "full cash value" of commercial and industrial real property that is not zoned for commercial agricultural production, for each lien date, would be equal to the fair market value of that property. If passed, the 2020 Ballot Measure would not affect the "full cash value" of residential property or real property used for commercial agricultural production, which would continue to be subject to annual increases not to exceed 2%. After compensating the State General Fund for resulting reductions in State personal income tax and corporate tax revenues, and compensating cities, counties and special districts for the cost of implementing the 2020 Ballot Measure, approximately 40% of the remaining additional tax revenues generated as a result of the 2020 Ballot Measure would be deposited into a fund created pursuant to the 2020 Ballot Measure called the Local School and Community College Property Tax Fund, with such funds being used to supplement, and not replace, existing funding school districts and community college districts receive under the State's constitutional minimum funding requirement. The District cannot predict whether the 2020 Ballot Measure will be approved by a majority of voters casting a ballot. If approved, the District cannot make any assurance as to what effect the implementation of the 2020 Ballot Measure will have on District revenues or the assessed valuation of real property in the District.

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.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

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

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is a basic aid district, taxes lost through any reduction in assessed valuation will not be compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL INFORMATION" herein.

Proposition 50 and Proposition 171

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

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

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

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

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

Article XIIIB of the California Constitution

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

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

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

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

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

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

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "– Propositions 98 and 111" herein.

Proposition 26

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

Article XIIIC and Article XIIID of the California Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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

Propositions 98 and 111

On November 8, 1988, State voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The

Accountability Act changed State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State legislature to suspend this formula for a one-year period.

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

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

On June 5, 1990, State voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

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

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

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

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

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

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

Proposition 39

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

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that such bonds may be issued only if the tax rate per $100,000 of taxable property value projected to be levied as the result of any single election would not exceed $60 (for a unified school district), $30 (for a high school or elementary school district), or $25 (for a community college district),, when assessed valuation is projected to increase in accordance with Article XIIIA of the Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

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

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

Jarvis vs. Connell

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

Proposition 55

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 Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,001 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

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

Proposition 2

On November 4, 2014, State voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers the BSA, nor does the Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as an emergency within the meaning of Article XIIIB of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would be otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

SB 858. Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the PSSSA, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an A.D.A. of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the State Education Code, or (b) for school districts with an A.D.A. that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the State Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

SB 751. Senate Bill 751 ("SB 751"), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the State Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Bonds as and when due.

Proposition 51

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

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

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

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

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 22, 26, 30, 39, 98, 51 and 55 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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DISTRICT FINANCIAL INFORMATION

The information in this section concerning the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds shall be payable solely from the proceeds of an ad valorem *property tax required to be levied by the County on taxable property within the District in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

State Funding of Education

School district revenues consist primarily of guaranteed State moneys, local property taxes and funds received from the State in the form of categorical aid under ongoing programs of local assistance. All State aid is subject to the appropriation of funds in the State's annual budget.

Revenue Limit Funding. Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. Funding of a school district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Since fiscal year 2013-14, school districts have been funded based on uniform system of funding grants assigned to certain grade spans, as described below. See "—Local Control Funding Formula." The following table reflects the District's historical ADA and the revenue limit rates per unit of ADA for fiscal years 2006-07 through 2012-13.

AVERAGE DAILY ATTENDANCE AND REVENUE LIMIT
San Mateo-Foster City School District
Fiscal Years 2006-07 to 2012-13

Fiscal Year	Average Daily Attendance[1]	Annual Change in ADA	Base Revenue Limited per ADA	Deficit Revenue Limit Per ADA[2]
2006-07	9,631	79	$5,295	$5,295
2007-08	9,789	158	5,536	5,536
2008-09	10,041	252	5,851	5,392
2009-10	10,257	216	6,101	4,981
2010-11	10,533	276	6,077	4,985
2011-12	10,833	300	6,214	4,934
2012-13	11,310	477	6,416	4,987

(1) Reflects ADA 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. An attendance month is each four week period of instruction beginning with the first day of school for any school district. Includes average daily attendance in county operated schools.
(2) Deficit revenue limit funding, when provided for in State budgetary legislation, reduced the revenue limit allocations received by school districts by applying a deficit factor to the base revenue limit for the given fiscal year, and resulted from an insufficiency of appropriation funds in the State budget to provide for State aid owed to school districts. The State's practice of deficit revenue limit funding was most recently reinstated beginning in fiscal year 2008-09 and discontinued following the implementation of the LCFF (as defined herein).
Source: San Mateo-Foster City School District.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), as amended by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91"), established the current system for funding school districts, charter schools and county offices of education.

The primary component of AB 97 was the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. During the implementation period of the LCFF, an annual transition adjustment was calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

The Base Grants per unit of ADA for each grade span are as follows: (i) $6,845 for grades K-3; (ii) $6,947 for grades 4-6; (iii) $7,154 for grades 7-8; and (iv) $8,289 for grades 9-12. During the implementation period of the LCFF, Base Grants were required to be adjusted annually for COLAs by applying the implicit price deflator for government goods and services. The provision of COLAs is now subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See also "—State Budget Measures" for information on the adjusted Base Grants provided by current budgetary legislation.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. AB 97 also provides additional add-ons to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

School districts that serve students of limited English proficiency ("EL" students), students from low income families that are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals). AB 97 authorizes a supplemental grant add-on (each, a "Supplemental Grant") for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts' percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied by the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold.

The table below shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment for fiscal years 2013-14 through 2019-20.

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2013-14 through 2019-20
San Mateo-Foster City School District

	Average Daily Attendance[1]				Enrollment[2]	
Fiscal Year	K-3	4-6	7-8	Total ADA	Total Enrollment	% of EL/LI Enrollment[3]
2013-14	5,548	3,611	2,166	11,325	11,721	40.00%
2014-15	5,498	3,774	2,168	11,440	11,858	40.00
2015-16	5,473	3,816	2,294	11,583	11,977	39.27
2016-17	5,430	3,767	2,357	11,554	11,970	39.02
2017-18	5,365	3,665	2,395	11,425	11,837	38.77
2018-19	5,331	3,562	2,376	11,269	11,724	39.68
2019-20	5,264[4]	3,517[4]	2,346[4]	11,127[4]	11,576	39.94

Note: ADA figures rounded to the nearest whole number.

(1) Except for fiscal year 2019-20, reflects ADA 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. An attendance month is equal to each four-week period of instruction beginning with the first day of school for a particular school district.

(2) Enrollment reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and used to calculate each school district's unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the California Department of Education. CALPADS figures exclude preschool and adult transitional students.

(3) For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district's percentage of unduplicated EL/LI students has been based on a rolling average of such district's EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

(4) Reflect projected figures.

Source: San Mateo-Foster City School District.

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

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

Community Funded Districts. Certain school districts, known as "community funded" districts (previously known as "basic aid" districts), have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Community funded school districts receive only special categorical funding, which is deemed to satisfy the "basic aid" requirement of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for community funded districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District has been a community funded district since fiscal year 2016-17. For fiscal year 2018-19, the District's local property tax receipts exceeded the District's total LCFF allocation by $5,197,376 and the District projects that local property tax receipts will exceed the District's total LCFF allocation by $9,071,873 in fiscal year 2019-20.

Outbreak of Disease; Coronavirus. An outbreak of disease or similar public health threat, such as the novel coronavirus ("COVID-19") outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results.

The spread of COVID-19 is having significant negative impacts throughout the world, including in the District. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the State and the United States. The purpose behind these declarations are to coordinate and formalize emergency actions and across federal, State and local governmental agencies, and to proactively prepare for a wider spread of the virus. On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed by the President of the United States. The CARES Act appropriates over $2 trillion to, among other things, (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, including the airline industry, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs, and (vii) provide aid to state and local governments.

State law allows school districts to apply for a waiver to hold them harmless from the loss of LCFF funding based on attendance and state instructional time penalties when they are forced to close schools due to emergency conditions. In addition, the Governor of the State has enacted Executive Order N-26-20 ("Executive Order N-26-20"), which (i) generally streamlines the process of applying for such waivers for closures related to COVID-19 and (ii) directs school districts to use LCFF apportionment to fund distance learning and high quality educational opportunities, provide school meals and, as practicable, arrange for the supervision of students during school hours.

On March 17, 2020, Senate Bill 89 ("SB 89") and Senate Bill 117 ("SB 117") were signed by the Governor, both of which take effect immediately. SB 89 amends the Budget Act of 2019 by appropriating $500,000,000 from the State general fund for any purpose related to the Governor's March 4, 2020 emergency proclamation. SB 117, among other things, (i) specifies that for school districts that comply with Executive Order N–26–20, the ADA reported to the State Department of Education for the second period and the annual period for apportionment purposes for the 2019-20 school year only includes all full school months from July 1, 2019 through February 29, 2020, (ii) prevents the loss of funding related to an instructional time penalty because of a school closed due to the COVID–19 by deeming the instructional days and minutes requirements to have been met during the period of time the school was closed due to COVID–19, (iii) requires a school district to be credited with the ADA it would have received had it been able to operate its After School Education and Safety Program during the time the school was closed due to COVID–19, and (iv) appropriates $100,000,000 from the State general fund to the State Superintendent to be apportioned to certain local educational agencies for purposes of purchasing personal protective equipment, or paying for supplies and labor related to cleaning school sites.

On March 19, 2020, the Governor ordered all California residents to stay home or at their place of residence to protect the general health and well-being, except as needed to maintain continuity of 16 critical infrastructure sectors described therein (the "Stay Home Order").

To date there have been a number of confirmed cases of COVID-19 in San Mateo County and health officials are expecting the number of confirmed cases to grow. The outbreak has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools (including the District's schools). See "INTRODUCTION – General." The U.S. is restricting certain non-US citizens and permanent residents from entering the country. In addition, stock markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

Potential impacts to the District associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges relating to establishing distance learning programs or other measures to permit instruction while schools remain closed, disruption of the regional and local economy with corresponding decreases in tax revenues, including property tax revenue, sales tax revenue and other revenues, increases in tax delinquencies, potential declines in property values, and decreases in new home sales, and real estate development. See "TAX BASE FOR REPAYMENT OF THE BONDS – Assessed Valuations" and "-Alternative Method of Tax Apportionment - Teeter Plan" herein. The economic consequences and the declines in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments, could have a material impact on the investments in the State pension trusts, which could materially increase the unfunded actuarial accrued liability of the STRS Defined Benefit Program and PERS Schools Pool, which, in turn, could result in material changes to the District's required contribution rates in future fiscal years. See "SAN MATEO-FOSTER CITY SCHOOL DISTRICT – Retirement Programs' herein.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the economic and other of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. 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) and the California Department of Public Health (https://covid19.ca.gov/). *The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such website*s.

The ultimate impact of COVID-19 on the District's operations and finances is unknown. There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or the federal government, will not materially adversely impact the local, state and national economies or the assessed valuation of property within the District, or adversely impact enrollment or average daily attendance within the District and, notwithstanding Executive Order N-26-20 or SB 117, materially adversely impact the financial condition or operations of the District. See also "TAX BASE FOR REPAYMENT OF THE BONDS –Assessed Valuations" herein.

Accountability. Regulations adopted by the State Board of Education require that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, and detail the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

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

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

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

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

Other State Sources. In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

Other Revenue Sources

Federal and Local Sources. The federal government provides funding for several of the District's programs, including special education programs, programs under the Every Student Succeeds Act, and specialized programs such as Drug Free Schools, Innovative Strategies, and Vocational & Applied Technology. In addition, the District receives additional local revenues beyond local property tax collections, such as leases and rentals, interest earnings, interagency services, developer fees (as discussed below), parcel tax revenues (as discussed below) and other local sources.

Parcel Tax. On June 4, 1991, voters within the District approved a special tax of $55 per parcel, adjusted annually by the San Mateo County Area Consumer Price Index, with no expiration date, with certain exemptions, to augment the District's operating budget (the "Measure B Parcel Tax").

On March 7, 2003 voters within the District approved a special tax of $75 per parcel, adjusted annually by the adjusted annually by the San Francisco - Oakland - San Jose Metropolitan Area Consumer Price Index, for seven years, with certain exemptions, to augment the District's operating budget (the "2003 Parcel Tax"), which was renewed on February 23, 2010. Pursuant to the February 23, 2010 ballot measure, the 2003 Tax increased by $96 per parcel to $180.85, beginning in fiscal year 2010-11 and expired in 2017, and was adjusted annually by the adjusted annually by the San Francisco - Oakland - San Jose Metropolitan Area Consumer Price Index to reflect changes in cost of living, during the term of the authorization. On November 6, 2018, the voters of the District approved a nine year $298 parcel tax (the "2018 Tax" and together with the 1991 Tax and the 2003, the "Parcel Taxes"), as adjusted annually by the San Mateo County Area Consumer Price Index, beginning July 1, 2019 and ending on June 30, 2028. A parcel tax a "special tax" under the California Constitution and required the approval of 2/3 of the voters voting on the measure. The purpose of the 2018 Parcel Tax is to raise funds to augment the operating budget of the District to retain instructional programs and ensure low class size.

Property owners who are 65 years and older, individuals receiving Supplemental Security Income for disability regardless of age, and individuals receiving Social Security Disability Insurance benefits, regardless of age, whose yearly income does not exceed 250% of the 2012 federal poverty guidelines, are eligible, upon application, for an exemption from the 2018 Parcel Tax.

For fiscal year 2019-20, the 1991 Parcel Tax was $116.20 per parcel and the 2018 Tax was $298.00 per parcel. For fiscal year 2020-21, the 1991 Parcel Tax will be $119.10 per parcel and the 2018 Parcel will be $305.45 per parcel.

The projected revenues produced for the District by the 1991 Parcel Tax in fiscal year 2019-20 is expected to be $3,983,800, which is projected to represent about 2.60% of the total general fund revenues of the District in fiscal year 2019-20.

The projected revenues produced for the District by the 2018 Parcel Tax in fiscal year 2019-20 is expected to be $10,216,632, which is projected to represent about 6.5% of the total general fund revenues of the District in fiscal year 2019-20.

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Developer Fees. The District maintains a fund, separate and apart from the general fund, to account for developer fees collected by the District. For fiscal years 2014-15, 2015-16, 2016-17, 2017-18, and 2018-19, the District received $1,327,921, $1,722,374, $1,130,775, $1,209,215, $1,152,546 respectively, and the District currently projects that it will receive $900,000 of such revenues in fiscal year 2019-20.

Foundation. The San Mateo Foster City Education Foundation (the "Foundation") is an independent 501(c)(3) nonprofit corporation founded in 1992, providing financial support to the District. Under GASB rules, the Foundation is not a component unit of the District for financial reporting purposes. For fiscal years ending June 30, 2015, 2016, 2017, 2018, and 2019 the Foundation contributed $40,000, $57,027, $110,000, $90,000, $185,000 respectively, to the District. Funds received from the Foundation are deposited into the general fund of the District and earmarked for specific purposes.

Redevelopment Revenue. The District had redevelopment pass-through agreements with various agencies. Amounts received are deposited directly into the general fund of the District and offset State apportionment. For fiscal years 2014-15, 2015-16, 2016-17, 2017-18, and 2018-19, the District received, $1,870,719, $2,280,329, $2,375,653, $3,111,792, and $3,493,900 respectively, and the District currently projects that it will receive $3,538,392 of such revenues in fiscal year 2019-20.

State Dissolution of Redevelopment Agencies

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* ("*Matosantos*"), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in California ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22" herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling $1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller's cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund ("Trust Fund"), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any "enforceable obligations" of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least $250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) ("AB 1290"), are restricted to educational facilities without offset against revenue limit apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the affected local taxing entity uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount "which would have been received . . . had the redevelopment agency existed at that time," and that the county auditor-controller shall "determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved using current assessed values . . . and pursuant to statutory formulas and contractual agreements with other taxing agencies."

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its base apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies or any other surplus property tax revenues pursuant to the Dissolution Act.

Accounting Practices

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

The District's expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Delinquent taxes not received after the fiscal year end are not recorded as revenue until received. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The District's accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the general fund which accounts for all financial resources not requiring a special type of fund. The District's fiscal year begins on July 1 and ends on June 30.

Comparative Financial Statements

The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements for the District for the fiscal year ended June 30, 2019, and prior fiscal years are on file with the District and available for public inspection at the Office of the Chief Business Official of the District, 1170 Chess Drive, Foster City, California 94404. The audited financial statements for the year ended June 30, 2019, are included in APPENDIX B hereto. The table on the following page reflects the District's audited general fund revenues, expenditures and fund balances from fiscal year 2014-15 to fiscal year 2018-19.

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AUDITED GENERAL FUND REVENUE, EXPENDITURES AND FUND BALANCES
Fiscal Years 2014-15 through 2018-19
San Mateo-Foster City School District

	2014-15 Audited Actual	2015-16 Audited Actual	2016-17 Audited Actual	2017-18 Audited Actual	2018-19 Audited Actual
REVENUES					
Local Control Funding formula (LCFF):					
State Apportionment	$51,225,435	$28,537,356	--	--	--
Local Taxes	27,072,179	57,796,495	--	--	--
LCFF Transfers	6,590,880	5,495,072	--	--	--
Total LCFF sources	84,888,494	91,828,923	$100,950,047	$107,688,449	$112,392,207
Federal Sources	3,403,832	3,778,257	3,663,507	3,857,743	3,917,584
Other State Sources	5,311,754	13,387,813	10,675,292	9,979,680	17,886,514
Other Local Sources	19,294,712	18,948,658	18,900,892	12,882,050	11,274,490
Total Revenues	112,898,792	127,943,651	134,189,738	134,407,922	145,470,795
EXPENDITURES					
Instruction	70,982,517	77,088,715	82,421,880	93,387,172	93,698,924
Instruction-related Services	13,330,636	14,244,473	--	--	--
Supervision of instruction	--	--	3,591,169	3,652,497	4,258,243
Instruction library, media and technology	--	--	1,167,012	1,101,082	1,110,000
School site administration	--	--	9,352,156	9,775,224	10,372,083
Pupil Services	4,940,860	8,334,589	--	--	--
Home-to-school transportation	--	--	2,587,975	2,918,595	2,985,852
Food services	--	--	--	85	66
All other pupil services	--	--	5,164,502	5,806,153	6,955,613
Ancillary Services	298,495	192,955	212,209	263,132	255,916
Community Services	337,625	309,088	--	--	--
Enterprise Activities	2,886	--	--	--	--
General Administration	6,385,478	6,577,673	--	--	--
Data processing			1,311,115	1,585,345	2,022,412
All other general administration			5,381,477	6,238,085	6,276,718
Plant Services	10,258,858	12,265,783	10,205,700	10,400,032	10,616,323
Facilities acquisition and construction			6,462,748	3,005,224	620,892
Payments to other agencies			1,433,822	1,208,581	998,315
Other Outgo:	1,697,425	1,427,825	--	--	--
Debt Service - Principal	--	--	--	--	--
Debt Service – Interest	--	--	--	--	--
Debt Service – Cost of Issuance	--	--	--	--	--
Total Expenditures	108,234,780	120,441,101	129,291,765	139,341,207	140,171,357
Excess (Deficiency) of Revenues Over/(Under) Expenditures	4,664,012	7,502,550	4,897,973	(4,933,285)	5,299,438
OTHER FINANCING SOURCES (USES)					
Operating Transfers in	3,565,334	5,991,145	250,000	760,000	750,000
Operating Transfers out	(3,451,025)	(8,775,904)	(2,258,496)	(6,766,143)	(7,285,191)
Total Other Financing Sources (Uses)	114,309	(2,784,759)	(2,008,496)	(6,006,143)	(6,535,191)
Net Change in Fund Balances	4,778,321	4,717,791	2,889,477	(10,939,428)	(1,235,753)
Fund Balance – July 1	71,731,185	76,509,506	81,227,297	84,431,404	73,491,976
Prior period adjustments	--	--	314,630(1)	--	--
Fund Balance – July 1 – as adjusted	--	--	81,541,927	--	--
Fund Balance – June 30	$76,509,506	$81,227,297	$84,431,404	$73,491,976	$72,256,223

(1) The Special Reserve Fund for Other Than Capital Outlay has been combined for financial reporting purposes in accordance with GASB 54, resulting in an adjustment to the beginning fund balance of the general fund.

Source: San Mateo-Foster City School District.

Budget Process

State Budgeting Requirements. The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. Additional amendments to the budget process were made by Assembly Bill 2585, effective as of September 9, 2014, including the elimination of the dual budget cycle option for school districts. All school districts must now be on a single budget cycle.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a LCAP, and whether the budget's ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection.

A school district whose budget has been disapproved must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final school district budgets and not later than November 8, must approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. No later than November 8, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget has been disapproved. Until a school district's budget is approved, the school district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Interim Financial Reports. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

Within the past ten years, the District has never had an adopted budget disapproved by the county superintendent of schools and has never received a "qualified" or "negative" certification of an Interim Financial Report pursuant to A.B. 1200.

Budgeting Trends. The table on the following page sets forth the District's general fund adopted budgets for fiscal years 2015-16 through 2019-20, ending results for fiscal years 2015-16 through 2018-19, and projected totals for fiscal year 2019-20.

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GENERAL FUND BUDGETING
Fiscal Years 2015-16 through 2019-20
San Mateo-Foster City School District

	Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20	
	Adopted Budget[1]	Audited Actuals[1]	Adopted Budget[1]	Audited Actuals[1]	Adopted Budget[1]	Audited Actuals[1]	Adopted Budget[1]	Audited Actuals[1]	Adopted Budget[2]	Projected Totals[2]
REVENUES:										
LCFF Sources	$93,323,735	$91,828,923	$97,179,624	$100,950,047	$98,454,028	$107,688,449	$107,720,856	$112,392,207	$113,194,590	$117,076,906
Federal Revenue	3,734,063	3,778,257	3,757,668	3,663,507	3,897,881	3,857,743	4,246,312	3,917,584	4,164,197	4,713,157
Other State Revenue	4,955,254	13,387,813	10,396,861	10,675,292	8,167,840	9,979,680	12,026,883	17,886,514	9,836,907	10,993,237
Other Local Revenue	13,262,758	18,948,658	14,502,423	18,900,892	7,110,996	12,882,050	7,836,066	11,274,490	15,956,120	20,321,990
TOTAL REVENUES	115,275,810	127,943,651	125,836,576	134,189,738	117,630,745	134,407,922	131,830,117	145,470,795	143,151,814	153,105,290
EXPENDITURES:										
Certificated Salaries	51,730,129	54,766,029	58,094,710	55,743,155	56,102,144	60,854,505	61,949,676	60,866,387	66,057,397	65,273,533
Classified Salaries	12,595,884	14,613,446	14,962,898	14,261,067	14,423,386	15,959,016	15,875,087	15,860,051	16,314,547	16,923,400
Employee Benefits	21,833,406	26,456,451	27,173,413	26,611,456	27,750,754	28,293,300	30,707,787	35,917,869	33,729,244	33,910,926
Books & Supplies	3,663,958	3,779,335	4,055,120	4,024,730	2,848,417	6,606,413	3,106,763	3,280,646	4,891,731	7,632,366
Services & Other Operating Expenditures	19,120,521	17,774,639	19,648,951	20,984,556	22,838,414	23,565,650	25,624,402	22,703,269	24,701,381	33,269,449
Capital Outlay	7,633,686	1,849,298	12,871,025	6,466,653	10,000	3,105,543	1,566,000	740,841	10,000	131,252
Other Outgo/Transfers of Indirect Costs	1,788,208	1,201,903	1,399,298	1,200,148	1,270,654	956,780	1,148,329	802,294	926,149	797,195
TOTAL EXPENDITURES	118,365,792	120,441,101	138,205,415	129,291,765	125,243,769	139,341,207	139,978,044	140,171,357	146,630,449	157,938,122
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,089,982)	7,502,550	(12,368,839)	4,897,973	(7,613,024)	(4,933,285)	(8,147,927)	5,299,438	(3,478,635)	(4,832,832)
OTHER FINANCING SOURCES (USES)										
Operating Transfers In	941,145	5,991,145	250,000	250,000	750,000	760,000	750,000	750,000	750,000	750,000
Operating Transfers Out	(826,863)	(8,775,904)	--	(2,258,496)	(3,832,450)	(6,766,143)	(32,450)	(7,285,191)	(1,071,158)	(1,072,667)
TOTAL OTHER FINANCING SOURCES (USES)	114,282	(2,784,759)	250,000	(2,008,496)	(3,082,450)	(6,006,143)	717,550	(6,535,191)	(321,158)	(322,667)
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Uses	(2,975,700)	4,717,791	(12,118,839)	2,889,477	(10,695,474)	(10,939,428)	(7,430,377)	(1,235,753)	(3,799,793)	(5,155,498)
FUND BALANCE, JULY 1	76,509,506	76,509,506	81,227,297	81,227,297	84,431,404	84,431,404	73,491,976	73,491,976	43,875,563[4]	43,875,563[4]
Prior period adjustments	--	--	--	314,630[3]	--	--	--	--	--	--
Fund balances beginning – as adjusted	76,509,506	76,509,506	81,227,297	81,541,927	84,431,404	84,431,404	73,491,976	73,491,976	43,875,563[4]	43,875,563[4]
FUND BALANCE, JUNE 30	$73,533,806	$81,227,297	$69,108,458	$84,431,404	$73,735,930	$73,491,976	$66,061,599	$72,256,223	$40,075,770	$38,720,065

(1) From the District's Comprehensive Audited Financial Statements for fiscal years 2015-16 through 2018-19, respectively.
(2) From the District's Second Interim Financial Report for fiscal year 2019-20 approved by the Board on March 26, 2020.
(3) Reflects an adjustment to the general fund as a result of the inclusion of the Special Reserve Fund for Other Than Capital Outlay in accordance with GASB Statement No. 54.
(4) Beginning fund balance reflects the general fund only, and do not agree with the amounts reported for fiscal years 2015-16 through 2018-19 of this table and the amounts reported under "-Comparative Financial Statements" herein, because amounts included in the Audit for fiscal years 2015-16 through 2018-19 include the financial activity of the Deferred Maintenance Fund, Special Reserve Fund for Other Than Capital Outlay and the Retiree Benefit Fund, in accordance with the fund type definitions promulgated by GASB Statement No. 54.
Source: San Mateo-Foster City School District.

State Budget Measures

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

2019-20 Budget. On June 27, 2019, the Governor signed into law the State budget for fiscal year 2019-20 (the "2019-20 Budget"). The following information is drawn from summaries of the 2019-20 Budget prepared by the State Department of Finance and the LAO.

For fiscal year 2018-19, the 2019-20 Budget projected total general fund revenues and transfers of $138 billion and total expenditures of $142.7 billion. The State was projected to end the 2018-19 fiscal year with total available general fund reserves of $20.7 billion, including $5.4 billion in the traditional general fund reserve, $14.4 billion in the BSA and $900 million in the Safety Net Reserve Fund for the CalWORKs and Medi-Cal programs. For fiscal year 2019-20, the 2019-20 Budget projected total general fund revenues and transfers of $143.8 billion and authorized expenditures of $147.8 billion. The State was projected to end the 2019-20 fiscal year with total available general fund reserves of $18.8 billion, including $1.4 billion in the traditional general fund reserve, $16.5 billion in the BSA and $900 million in the Safety Net Reserve Fund. The 2019-20 Budget also authorized a deposit to the PSSSA of $376.5 million in order to comply with Proposition 2. The amount was projected 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 "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 858; SB 751."

For fiscal year 2019-20, the 2019-20 Budget set the minimum funding guarantee at $81.1 billion. With respect to K-12 education, ongoing per-pupil spending was set at $11,993. Other significant features with respect to K-12 education funding include the following:

- *Local Control Funding Formula* – An increase of $1.9 billion in Proposition 98 funding for the LCFF, reflecting a 3.26% COLA. For fiscal year 2019-20, the adjusted Base Grants are as follows: (i) $8,503 for grades K-3, (ii) $7,818 for grades 4-6, (iii) $8,050 for grades 7-8, and (iv) $9,572 for grades 9-12. See also "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Local Control Funding Formula."

- *Settle-Up Payment* – An increase of $686.6 million for K-14 school districts to pay the balance of past-year Proposition 98 funding owed through fiscal year 2017-18.

- *Special Education* – $645.3 million in ongoing Proposition 98 funding for special education. Specifically, the 2019-20 Budget allocated (i) $152.6 million to provide all special education local area plans at least the Statewide target rate for base special education funding, and (ii) $492.7 million in special education funding, to be allocated to school districts based on the number of children between three to five years of age and with exceptional needs that are being served.

- *Pension Costs* – A $3.15 billion payment from non-Proposition 98 funds to CalSTRS and CalPERS, to reduce long-term liabilities for K-14 school districts. Of this amount, $850 million would be provided to buy down employer contribution rates in fiscal years 2019-20 and 2020-21. With these payments, CalSTRS employer contributions will be reduced from 18.13% to 17.1% in fiscal year 2019-20, and from 19.1% to 18.4% in fiscal year 2020-21. The CalPERS employer contribution will be reduced from 20.7% to 19.7% in fiscal year

2019-20, and the projected CalPERS employer contribution is expected to be reduced from 23.6% to 22.9 % in fiscal year 2020-21. The remaining $2.3 billion would be paid towards employers' long-term unfunded liability. See also "SAN MATEO-FOSTER CITY SCHOOL DISTRICT – Retirement Programs."

- *After School Programs* - $50 million in ongoing Proposition 98 funding to provide an increase of approximately 8.3% to the per-pupil daily rate for after school education and safety programs.

- *Teacher Support* - $43.8 million in one-time non-Proposition 98 funding to provide training and resources for classroom educators and paraprofessionals, to build capacity in key State priorities. The 2019-20 Budget also included $89.8 million in one-time, non-Proposition 98 funding to provide up to 4,487 grants for students enrolled in professional teacher preparation programs who commit to working in a high-need field at a priority school for at least four years.

- *Broadband Infrastructure* - $7.5 million in one-time, non-Proposition 98 funding for broadband infrastructure improvements at local educational agencies.

- *Full-Day Kindergarten* - $300 million in one-time, non-Proposition 98 funding to finance construction or retrofit of facilities to support full-day kindergarten programs.

- *Wildfire-Related Cost Adjustments* – An increase of $2 million in one-time Proposition 98 funding to reflect adjustments in the estimated for property tax backfill for basic aid school districts impacted by wildfires which occurred in 2017 and 2018. The 2019-20 Budget also held both school districts and charter schools impacted by wildfires in 2018 harmless in terms of State funding for two years.

- *Proposition 51* – a total allocation of $1.5 billion in Proposition 51 bond funds for K-12 school facility projects.

For additional information regarding the 2019-20 Budget, see the State Department of Finance and LAO websites at www.dof.ca.gov and www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Proposed 2020-21 Budget. On January 10, 2020, the Governor released his proposed State budget for fiscal year 2020-21 (the "Proposed 2020-21 Budget"). The following information is drawn from the summaries of the Proposed 2020-21 Budget prepared by the State Department of Finance and the LAO.

For fiscal year 2019-20, the Proposed 2020-21 Budget projects total general fund revenues and transfers of $146.5 billion and total expenditures of $149.7 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of $20 billion, including $3.1 billion in the traditional general fund reserve, $16 billion in the BSA and $900 million in the Safety Net Reserve Fund for the CalWORKs. The Proposed 2020-21 Budget also increases the deposit into the PSSA by $147.7 million, for a total of $524 million, in order to comply with Proposition 2. 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 "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 858; SB 751."

For fiscal year 2020-21, the Proposed 2020-21 Budget projects total general fund revenues and transfers of $151.6 billion and authorizes expenditures of $153.1 billion. The State is projected to end the 2020-21 fiscal year with total available general fund reserves of $20.5 billion, including $1.6 billion in the traditional general fund reserve, $18 billion in the BSA and $900 million in the Safety Net Reserve Fund. The Proposed 2020-21 Budget also authorizes a deposit to the PSSSA of $487 million in order to comply with Proposition 2. This amount is below the amount required to trigger certain maximum local reserve levels for school districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 858; SB 751." Pursuant to the provisions of Proposition 2, the Proposed 2020-21 Budget also projects a draw on the PSSSA of approximately $37.6 million.

The Proposed 2020-21 Budget makes certain revisions to Proposition 98 funding levels set by prior budgetary legislation. For fiscal year 2018-19, the minimum funding guarantee is revised to $78.4 billion, an increase of $301.5 million from prior levels. For fiscal year 2019-20, the minimum funding guarantee is revised to $81.6 billion, an increase of $517 million from the prior level. These increases are due largely to increases in property tax revenues in fiscal year 2018-19, and increases in State general fund revenues in both fiscal years.

For fiscal year 2020-21, the Proposed 2020-21 Budget sets the minimum funding guarantee at $84 billion, an increase of approximately $2.6 billion over the revised prior year level. With respect to K-12 education, ongoing per-pupil spending is set at $17,964. Due to the year-to-year growth in State revenues and a projected decline in ADA, fiscal year 2020-21 is projected to be a "Test 1" year. Other significant features with respect to K-12 education funding include the following:

- *Local Control Funding Formula* – An increase of $1.2 billion in Proposition 98 funding for the LCFF, reflecting a 2.29% COLA. This would bring total LCFF funding to $64.2 billion. The Proposed 2020-21 Budget also includes $600,000 in one-time Proposition 98 funding to improve LCFF fiscal accountability by making Statewide LCAP information more accessible to the public. Finally, the Proposed 2020-21 Budget includes an increase of $5.7 million in LCFF funding for county offices of education, reflecting a 2.29% COLA.

- *Categorical Programs* – An increase of $122.4 million in Proposition 98 funding for categorical programs that remain outside the LCFF, reflecting a 2.29% COLA.

- *Special Education* – A new special education base funding formula using a three-year rolling average of local educational agency ADA allocated to special education local plans areas. This funding level would include a 15% increase in the Proposition 98 contribution to the funding rate provided in the prior year's budgetary legislation. The Proposed 2020-21 Budget also includes an additional $250 million in ongoing Proposition 98 funding based on the number of children between ages three and five with exceptional needs. Funding would be allocated on a one-time basis to school districts based on the number of preschool-age children with disabilities.

- *Educator Recruitment and Professional Development* - $900 million in one-time Proposition 98 funding for six initiatives aimed at improving school employee training, recruitment and retention.

- *Community Schools* - $300 million in one-time Proposition 98 funding to implement community school models which typically integrate health, mental health and other services for students and families and provides these services directly on school campuses.

- *Opportunity Grants* - $300 million in one-time Proposition 98 funding to establish opportunity grants for low-performing schools and school districts and to expand the Statewide system of support therefor.

- *Computer Science* - $15 million in one-time Proposition 98 funding for grants to local educational agencies to support K-12 teachers earning a supplemental authorization to their teaching credential to teach computer science. The Proposed 2020-21 Budget also provides $2.5 million in one-time Proposition 98 funding for county offices of education to identify, compile and share resources for computer science professional development, curriculum and best practices.

- *School Nutrition* - $60 million in Proposition 98 funding to increase funding for school nutrition. Additionally, the Proposed 2020-21 Budget includes $10 million in Proposition 98 funding to provide training for school food service workers.

- *School Facilities* – $400 million in one-time, non-Proposition 98 funding for eligible school districts to construct new, or to retrofit existing, facilities for full-day kindergarten programs.

- *Proposition 51* – a total allocation of $1.5 billion in Proposition 51 bond funds for K-12 school facility projects.

For additional information regarding the Proposed 2020-21 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

The Proposed 2020-21 Budget was prepared prior to the novel COVID-19 outbreak, and the projections included therein did not account for any of the negative economic impacts to date associated with the outbreak, nor any potential impacts yet to be realized. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Outbreak of Disease; Coronavirus' herein. The May revision to the Proposed 2020-21 Budget, and the final budget approved by the Legislature, could reflect significantly lower projections of State revenues or higher projections of State expenditures.

Future Actions and Events. The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict 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 or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. The novel COVID-19 outbreak has already resulted in significant negative economic effects at State and federal levels, and additional negative economic effects are possible, each of which could negatively impact anticipated State revenue levels for fiscal year 2019-20 and beyond. In addition, the outbreak could also result in higher State expenditures, of both a direct nature (such as those related to managing the outbreak) and an indirect nature (such as higher public usage of need-based programs resulting from unemployment or disability). See "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Outbreak of Disease; Coronavirus' herein. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT

The information in this section concerning the operations of the District and the District's finances are 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 shall be payable solely from the proceeds of an ad valorem *property tax required to be levied by the County on taxable property within the District in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

The District is a community funded district (as described herein), located in the greater San Francisco Bay Area of northern California, serves the communities of San Mateo and Foster City, as well as certain unincorporated areas in the central portion of the County. The District operates 15 elementary schools (grades K-5), one Montessori school (grades K-8) and four middle schools (grades 6-8). The 2019-20 assessed valuation of the area served by the District is $41,476,165,646. The District's average daily attendance for fiscal year 2018-19 was 11,269. The District has projected its average daily attendance for fiscal year 2019-20 will be 11,127.

Administration

District Board. The governing Board consists of five elected members. Members are elected at-large to serve staggered four-year terms. Elections for positions to the Board are held every two years, alternating between two and three available positions. A president is elected by members of the Board each year. Current members of the Board, together with their offices and the dates their terms expire, are listed below.

Board Member	Office	Term Expires
Noelia Corzo	President	December 2020
Kenneth Chin	Vice President	December 2022
Rebecca Hitchcock	Clerk	December 2020
Alison Proctor	Trustee	December 2022
Shara Watkins	Trustee	December 2020

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 supervision of the District's other key personnel. Dr. Joan Rosas currently serves as the District Superintendent. Brief biographies of the Superintendent and Chief Business Official follow:

Dr. Joan Rosas, Superintendent. Dr. Rosas began her tenure as Superintendent of the District on July 1, 2015. Dr. Rosas had spent 22 years of her 33 years as an educator in the District before advancing four years ago to the San Mateo County Office of Education as the Associate Superintendent of Student Services. During her time with the District, she held the positions of Assistant Principal, Principal, Director of Curriculum & Instruction, Assistant Superintendent of Student Services, and Assistant Superintendent of Human Resources. She received her Doctorate in Education in Organizational Leadership from the University of San Francisco, her Master's Degree in Administration and Supervision and Administrative Services Credential from California State University, Hayward, and her Bachelor's Degree in Spanish from University of California, Berkley.

Patrick Gaffney, Chief Business Official. Patrick Gaffney began his tenure as Chief Business Official with the District in October 2019. Over the past 21 years, Mr. Gaffney has served as an Assistant

Superintendent of Business Services, Deputy Superintendent and Superintendent at other school districts in the State. Prior to his career in education Mr. Gaffney served in a variety of national and international financial management roles in the private sector. Mr. Gaffney obtained his Bachelor's degree in finance from Santa Clara University.

Enrollment Trends

On average throughout the District, the regular education pupil-teacher ratio is approximately 25:1 for grades TK-3, 27:1 in grades 4-6, and 30:1 in grades 7-8. District enrollment increased by 6.16% between 2010-11 and 2019-20, representing an annual compound growth rate of 0.67%. The following table shows a 10-year enrollment history for the District.

HISTORICAL ENROLLMENT
Fiscal Years 2010-11 through 2019-20
San Mateo-Foster City School District

Fiscal Year	Enrollment	% Change
2010-11	10,904	--
2011-12	11,205	2.76%
2012-13	11,456	2.24
2013-14	11,721	2.31
2014-15	11,856	1.15
2015-16	11,977	1.02
2016-17	11,970	(0.06)
2017-18	11,837	(1.11)
2018-19	11,724	(0.95)
2019-20	11,576	(1.26)

Note: Enrollment for fiscal years 2010-11 through 2012-13 is reported as of the October report submitted to the California Basic Educational Data System ("CBEDS"). Fiscal years 2013-14 through 2019-20 reflect certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and used to calculate each school district's unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the California Department of Education. CALPADS figures exclude preschool and adult transitional students.

Source: San Mateo-Foster City School District.

Labor Relations

The District currently employs approximately 615.8 full-time certificated employees and 268.4 classified employees. These employees, except management and some part-time employees, are represented by the two bargaining units as noted below:

BARGAINING UNITS
San Mateo-Foster City School District

Labor Organization	Number of Employees In Bargaining Unit	Contract Expiration Date
San Mateo Elementary Teachers' Association	615.8	June 30, 2021
California School Employees Association	268.4	June 30, 2021

Source: San Mateo-Foster City School District.

Retirement Programs

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

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

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 the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year commencing July 1, 2019, the contribution rate for employees hired after the Implementation Date (defined below) will be 10.205%.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase-in period in accordance with the following schedule:

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.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated $2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. The remainder of the payment not committed for the reduction in employer contribution rates described above, is required to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. See "DISTRICT FINANCIAL INFORMATION – State Budget Measures" herein.

The District's contributions to STRS were $4,510,050 in fiscal year 2014-15, $5,718,444 in fiscal year 2015-16, $6,866,436 in fiscal year 2016-17, $8,612,908 for fiscal year 2017-18, and $9,728,645 in fiscal year 2018-19. The District has currently projects $10,899,437 for its contribution to STRS for fiscal year 2019-20.

The State also contributes to STRS, currently in an amount equal to 7.328% for fiscal year 2018-19 and 7.828% for fiscal year 2019-20. The State's contribution 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.

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. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2018 included 1,579 public agencies and 1,313 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 20.733% of eligible salary expenditures in fiscal year 2019-20. The employer contribution rate for fiscal year 2020-21 will be 22.68%, which reflects an initial actuarially determined rate of 23.35% that has been reduced by 0.67% pursuant to SB 90. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2019-20 and will be 7% of such salaries in fiscal year 2020-21, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2019-20 and will be 7% in fiscal year 2020-21. See "—California Public Employees' Pension Reform Act of 2013" herein.

Pursuant to SB 90, the State Legislature appropriated $144 million for fiscal year 2019-20 and $100 million for fiscal year 2020-21 to be transferred to the Public Employees' Retirement Fund, to pay in advance, on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years. In addition, the State Legislature appropriated $660 million to be applied toward certain unfunded liabilities for K-14 school district employers. As a result of the payments made by the State pursuant to SB 90, the employer contribution rate for fiscal year 2019-20 is 19.721%. See "DISTRICT FINANCIAL INFORMATION – State Budget Measures" herein.

The District's contributions to PERS were $2,120,00 in fiscal year 2014-15, $2,283,587 in fiscal year 2015-16, $2,738,437 in fiscal year 2016-17, $3,359,129 for fiscal year 2017-18 and $3,901,937 in fiscal year 2018-19. The District has currently projects $3,429,773 for its contribution to PERS for fiscal year 2019-20.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703.

Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) (1)
Fiscal Years 2010-11 through 2018-19

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)(2)	Unfunded Liability (MVA)(2)	Value of Trust Assets (AVA)(3)	Unfunded Liability (AVA)(3)
2010-11	$208,405	$147,140	$68,365	$143,930	$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)	Unfunded Liability (MVA)	Value of Trust Assets (AVA)(3)	Unfunded Liability (AVA)(3)
2010-11	$58,358	$45,901	$12,457	$51,547	$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	--(4)	--(4)
2014-15	73,325	56,814	16,511	--(4)	--(4)
2015-16	77,544	55,785	21,759	--(4)	--(4)
2016-17	84,416	60,865	23,551	--(4)	--(4)
2017-18	92,071	64,846	27,225	--(4)	--(4)
2018-19(5)	99,528	68,177	31,351	--(4)	--(4)

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
(3) Reflects actuarial value of assets.
(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.
(5) On April 21, 2020, the PERS Board (defined below) approved the K-14 school district contribution rate for fiscal year 2020-21 and released certain actuarial information to be incorporated into the June 30, 2019 actuarial valuation to be released in the latter half of 2020.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the "2017 STRS Actuarial Valuation"), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%. The 2017 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on salary increases less than assumed and actuarial asset gains recognized from the current and prior years, the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2018 (the "2018 STRS Actuarial Valuation") reports that the unfunded actuarial obligation decreased by $109 million since the 2017 STRS Actuarial Valuation and the funded ratio increased by 1.4% to 64.0% over such time period.

According to the 2018 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.9%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the morality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

On April 21, 2020, the PERS Board established the employer contribution rates for fiscal year 2020-21 and released certain information from the Schools Pool Actuarial Valuation as of June 30, 2019, ahead of its release date in the latter half of 2020. From June 30, 2018 to June 30, 2019 the funded status for the Schools Pool decreased by 1.9% (from 70.4% to 68.5%); mainly due to the reduction in the discount rate from 7.25% to 7.00% and investment return in fiscal year 2018-19 being lower than expected. The funded status as of June 30, 2019 does not reflect the State's additional payment of $660 million that was made pursuant to SB 90, since PERS received the payment in July 2019. PERS attributes the decline in the funded status over the last five years to recent investment losses in excess of investment gains, adoption of new assumptions, both demographic and economic, lowering of the discount rate, and negative amortization. Assuming all actuarial assumptions are realized, including investment return of 7% in fiscal year 2019-20, that no changes to assumptions, methods of benefits will occur during the projection period, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for fiscal year 2021-22 is projected to be 24.6%, with annual increases thereafter, resulting in a projected 26.2% employer contribution rate for fiscal year 2026-27. As of the April 21, 2020, PERS reported that the year to date return for the 2019-20 fiscal year was well below the 7% assumed return.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

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

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

Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2019, the District reported its shares of the net pension liabilities for the STRS and PERS plans as $106,612,120 and $42,146,438, respectively. For more information, see "—District Debt Structure" and "APPENDIX B – 2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 8" herein.

Other Post-Employment Benefits

Plan Description. The District administers a single-employer defined benefit healthcare plan (the "Plan"). The District provides lifetime postemployment health care benefits (the "Benefits"), in accordance with District's employment contracts, to most employees who retire from the District. Managers who retire from the District are eligible for full lifetime medical, vision, and dental premiums for the employee only. There is a cap on San Mateo Elementary Teachers' Association and California School Employees Association payments up to the age of 65 and after the age of 65. Membership of the Plan currently consists of 428 retirees currently receiving Benefits, and 714 active plan members.

Funding Policy. Expenditures for the Benefits are recognized on a "pay as you go basis" covering the cost of premiums paid for current retirees, with additional amounts to prefund benefits as determined annually by the Board of Trustees. For fiscal year ending June 30, 2016, the District recognized $448,675 of expenditures for the Benefits. For fiscal year ending June 30, 2017, the District recognized $456,642 of expenditures for the Benefits. For fiscal year ending June 30, 2018, the District recognized $494,934 of such expenditures, all of which was used for current premiums of health and medical benefits for retired employees. For fiscal year ending June 30, 2019, the District recognized $559,186 of such expenditures, all of which were used for current premiums of health and medical benefits for retired employees. For fiscal year ending June 30, 2020, the District currently projects $575,239 of such expenditures, all of which is expected to be used for current premiums of health and medical benefits for retired employees.

The District has established a special reserve fund to fund its outstanding liability with respect to its Benefits. As of June 30, 2019, the District has transferred $23,758,251 into this fund. The District has budgeted a transfer of $2,396,693 into the special reserve fund for fiscal year 2019-20. This fund has not been irrevocably pledged towards the District's liability, however, and may be accessed by the District upon Board action.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved Statements Nos. 74 and 75 (each, "GASB 74" and "GASB 75") with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB 45.

Most of GASB 74 applies to plans administered through trusts, contributions in which contributions are irrevocable, trust assets are dedicated to providing other post –employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the Net OPEB Liability, to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the Net OPEB Liability and a sensitivity analysis of the Net OPEB Liability to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position (FNP) is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB.

GASB No. 74 has an effective date for plan fiscal years beginning after June 15, 2016, and was first recognized in the District's financial statements for fiscal year 2016-17. GASB Statement No. 75 has an effective date for employer fiscal years beginning after June 15, 2017, and the District first recognized GASB No. 75 in their financial statements for fiscal year 2017-18. See also APPENDIX B – 2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 8" attached hereto.

Actuarial Studies. The District has implemented *Governmental Accounting Standards Board Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB 74") and *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Benefits. The new GASB statements No. 74 and No. 75 (discussed above) require biennial actuarial valuations for all plans. The actuarial study, dated as of July 17, 2018 (the "Study"), concluded that, as of June 30, 2017, the Total OPEB Liability (the "TOL") with respect to such benefits, was $68,903,581, the Net OPEB Liability (the "NOL") was $68,903,581, and the Total OPEB Expense (the "TOE") to be $5,955,733 for fiscal year ending June 30, 2018. The District has a Fiduciary Net Position (the "FNP") of $0. The TOL is the amount of the actuarial present value of projected benefits payments attributable to employees' past service based on the actuarial cost method used. The FNP are the net assets (liability) of the qualifying irrevocable trust or equivalent arrangement. The NOL is TOL minus the FNP. The TOE is the annual change in the District's NOL, with deferred recognition provided for certain items. For more information regarding the District's other post-employment benefit liability, see "APPENDIX B– 2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 8" attached hereto.

Risk Management

The District's risk management activities are recorded in the general fund. Employee life, dental, and disability programs are administered by the general fund through the purchase of commercial insurance and participation in a public entity risk pool. The District participates in the San Mateo County Schools Insurance Group public entity risk pool (the "JPA"). Excess property and liability coverage is obtained through Public Entity Property Insurance Program, excess liability insurance is obtained through CSAC – Excess Insurance Authority ("CSAC") and Schools Excess Liability Fund ("SELF") and excess workers' compensation insurance is provided for by SELF.

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.

Coverage provided by the San Mateo-County Schools Insurance Group for workers' compensation, property and liability insurance is as follows:

Type of Coverage	Limits	Member Deductible
Workers' compensation	SMCSIG - $250,000 SEFL - $250,000 – statutory limit	
Property	$250,000 – $1,000,000,000 per occurrence SMCSIG - $250,000 per occurrence CSAC - $250,000 to $5 million per occurrence SELF - $5 million - $20 million per occurrence SELF Optional Excess - $20 million - $55 million per occurrence	$1,500 to $10,000 per occurrence
Liability	SMCSIG - $250,000 per occurrence Public Entity Property Insurance Program - $250,000 to $1,000,000	$5,000 to $15,000 per occurrence

The District is a member of the San Mateo County Schools' Insurance Group, joint powers authority (JPA). The District pays an annual premium to the entity for its dental, workers' compensation, and property liability coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes. For more information "APPENDIX B – 2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 9" attached hereto.

District Debt Structure

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

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019[(1)]
Bonds	$335,509,439	$6,149,827	$13,854,165	$327,805,101
Net OPEB Liability	68,903,581	12,759,551	6,476,339	75,186,793
Compensated Absences	454,694	228,646	137,386	545,954
Net Pension Liabilities	132,138,985	64,169,562	47,549,989	148,758,558
Totals	$537,006,699	$83,307,586	$68,017,879	$552,296,406

[(1)] Does not include the Bonds and includes the Refunded Bonds.
[(2)] Reflects the aggregate of the District's proportionate share of the net pension liabilities for the STRS and PERS programs for fiscal year ending June 30, 2019. See also "SAN MATEO-FOSTER CITY SCHOOL DISTRICT– District Retirement Programs – GASB Statement Nos. 67 and 68" and Note 8 to the fiscal year 2018-19 audited financial statements of the District included as APPENDIX B hereto
Source: San Mateo-Foster City School District.

General Obligation Bonds. The District received authorization at an election held on June 4, 1991 (the "1991 Authorization") at which the requisite vote of at least two-thirds of the persons voting on the proposition voted to authorize the issuance of $33,000,000 principal amount of general obligation bonds of the District. In August, 1991, the District issued $8,000,000 of its General Obligation Bonds, Election of 1991, Series A (the "1991 Series A Bonds"). In May 1993, the District issued $9,000,000 of its General Obligation Bonds, Election of 1991, Series B (the "1991 Series B Bonds"). In March 1995, the District issued $9,999,069.75 of its General Obligation Bonds, Election of 1991, Series C (the "1991 Series C Bonds"). In November 1995, the District issued $7,595,000 of its General Obligation Refunding

Bonds, Series 1995 (the "1995 Refunding Bonds"), the proceeds of which were utilized to refund a portion of the 1991 Series A Bonds. In August 1996, the District issued $6,000,930.10 of its General Obligation Bonds, Election of 1991, Series D (the "1991 Series D Bonds"). In October 2003, the District issued $27,305,000 of its 2003 General Obligation Refunding Bonds (the "2003 Refunding Bonds"), the proceeds of which were utilized to refund the outstanding portions of the 1991 Series B Bonds, 1991 Series C Bonds, 1995 Refunding Bonds and 1991 Series D Bonds. In June, 2012, the District issued $14,700,000 of its 2012 General Obligation Refunding Bonds (the "2012 Refunding Bonds"), the proceeds of which were utilized to refund a portion of the outstanding 2003 Refunding Bonds.

The District received authorization at an election held on June 3, 1997 (the "1997 Authorization") at which the requisite vote of at least two-thirds of the persons voting on the proposition voted to authorize the issuance of $79,000,000 principal amount of general obligation bonds of the District. In August, 1997, the District issued $10,825,000 of its General Obligation Bonds, Election of 1997, Series 1997 (the "Series 1997 Bonds"). In August, 1998, the District issued $15,000,000 of its General Obligation Bonds, Election of 1997, Series 1998 (the "Series 1998 Bonds"). In August, 1999, the District issued $18,500,000 of its General Obligation Bonds, Election of 1997, Series 1999 (the "Series 1999 Bonds"). In March, 2001, the District issued $16,000,000 of its General Obligation Bonds, Election of 1997, Series 2001 (the "Series 2001 Bonds"). In May, 2002, the District issued $18,675,000 of its General Obligation Bonds, Election of 1997, Series 2002 (the "Series 2002 Bonds"). In November 2005, the District issued $79,975,000 of its 2005 General Obligation Refunding Bonds (the "2005 Refunding Bonds"), the proceeds of which were utilized to refund the outstanding Series 1997 Bonds, Series 1998 Bonds, Series 1999 Bonds and Series 2001 Bonds, Series 2002 Bonds and to finance the acquisition, construction, improvement and/or furnishing and equipping of real property in the District. In May 2015, the District issued $2,080,000 of its 2014 General Obligation Refunding Bonds (the "2014 Refunding Bonds") and $27,875,000 of its 2015 General Obligation Refunding Bonds (Delayed Delivery) (the "2015 Refunding Bonds", and together with the 2014 Refunding Bonds, the "2014/2015 Refunding Bonds"), the proceeds of which were utilized to refund portions of the outstanding 2005 Refunding Bonds.

The 2008 Authorization was approved by voters at an election held on February 5, 2008, at which the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of $175,000,000 principal amount of general obligation bonds of the District. On February 23, 2010, the District issued $54,999,412.85 of its General Obligation Bonds, Election of 2008, Series A (the "Series A Bonds") under the 2008 Authorization. On July 14, 2010, the District issued $25,000,000 of its General Obligation Bonds, Election of 2008, Series Q (Taxable Direct-Pay Qualified School Construction Bonds) (the "Series Q Bonds") under the 2008 Authorization. On November 20, 2012, the District issued $35,000,000 of its General Obligation Bonds, Election of 2008, Series C (the "Series C Bonds") under the 2008 Authorization. On October 22, 2015, the District issued $60,000,000 of its General Obligation Bonds, Election of 2008, Series D (the "Series D Bonds") under the 2008 Authorization. There is no usable authorization of the 2008 Authorization remaining.

The 2015 Authorization was approved by voters at an election held on November 3, 2015, at which the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of $148,000,000 principal amount of general obligation bonds of the District. On March 10, 2016, the District issued $74,000,000 of its Election of 2015 General Obligation Bonds, Series A (the "2015 Series A Bonds") under the 2015 Authorization. $74,000,000 of the 2015 Authorization remains authorized but unissed.

The following table shows the total debt service with respect to the District's outstanding general obligation bonded debt following the issuance of the Bonds.

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COMBINED GENERAL OBLIGATION BOND DEBT SERVICE SCHEDULE*

	1997 Authorization		1991 Authorization	2008 Authorization				2015 Authorization	
Year Ending (August 1)	2005 Refunding Bonds(1)	The 2014/2015 Refunding Bonds(2)	2012 Refunding Bonds(3)	Series A Bonds	Series Q Bonds(4)	Series C Bonds	Series D Bonds(5)	2015 Series A Bonds(5)	Total Annual Debt Service
2020	$1,109,843.74	$6,327,500.00	$2,304,750.00	$295,000.00	$2,069,200.00	$3,009,843.76	$3,130,456.26	$2,493,325.00	
2021	1,109,568.95	8,875,000.00	--	385,000.00	2,224,900.00	3,073,043.76	3,284,206.26	2,493,325.00	
2022	1,111,174.18	9,198,000.00	--	430,000.00	2,268,900.00	3,200,243.76	3,468,456.26	2,493,325.00	
2023	1,142,291.91	9,133,804.17	--	555,000.00	2,482,200.00	3,243,243.76	3,871,206.26	2,493,325.00	
2024	--	--	--	2,460,075.00	7,564,300.00	943,393.76	2,455,956.26	2,493,325.00	
2025	--	--	--	2,640,075.00	7,432,100.00	1,098,143.76	2,812,456.26	2,493,325.00	
2026	--	--	--	2,760,075.00	7,329,900.00	1,228,893.76	3,040,456.26	3,088,325.00	
2027	--	--	--	11,348,106.26	--	874,893.76	2,395,456.26	3,233,575.00	
2028	--	--	--	11,855,931.26	--	798,993.76	2,255,456.26	3,388,175.00	
2029	--	--	--	12,393,968.76	--	774,893.76	2,181,706.26	3,545,575.00	
2030	--	--	--	12,952,362.50	--	816,093.76	2,228,406.26	3,715,175.00	
2031	--	--	--	13,530,431.26	--	870,643.76	2,278,606.26	3,889,675.00	
2032	--	--	--	14,139,193.76	--	923,093.76	2,326,887.50	4,079,250.00	
2033	--	--	--	14,803,750.00	--	972,625.00	2,353,112.50	4,271,250.00	
2034	--	--	--	15,470,412.50	--	1,027,250.00	2,402,818.76	4,477,650.00	
2035	--	--	--	16,164,862.50	--	1,094,075.00	2,445,500.00	4,687,450.00	
2036	--	--	--	16,890,475.00	--	1,157,575.00	2,490,800.00	4,911,900.00	
2037	--	--	--	17,649,962.50	--	1,227,750.00	2,536,600.00	5,142,200.00	
2038	--	--	--	18,445,375.00	--	1,304,250.00	2,574,800.00	5,384,800.00	
2039	--	--	--	19,273,100.00	--	1,381,725.00	2,620,600.00	5,642,400.00	
2040	--	--	--	20,139,193.76	--	--	4,123,600.00	5,908,800.00	
2041	--	--	--	21,043,718.76	--	--	4,255,400.00	6,193,000.00	
2042	--	--	--	21,986,075.00	--	--	4,383,400.00	6,488,600.00	
2043	--	--	--	--	--	--	27,492,400.00	6,794,400.00	
2044	--	--	--	--	--	--	15,412,800.00	7,114,200.00	
2045	--	--	--	--	--	--	--	7,451,600.00	
Total	$4,472,878.78	$33,534,304.17	$2,304,750.00	$267,612,143.82	$31,371,500.00	$29,020,668.88	$108,821,543.88	$114,367,950.00	

(1) Concurrently with the issuance of the 2005 Refunding Bonds, the San Mateo-Foster City School Facilities Financing Authority issued its 2005 Revenue Bonds, Series 2005 in the aggregate principal amount of $79,975,000 for the purpose of purchasing the District's 2005 Refunding Bonds.
(2) The 2014/2015 Refunding Bonds mature on August 15 of each year, except for the final maturity on August 1, 2023.
(3) Interest with respect thereto is payable semiannually on March 1 and September 1 of each year. Principal payments are payable on September 1 of each year.
(4) Reflects gross debt service on the Series Q Bonds, which were designated as federally-taxable "Qualified School Construction Bonds" pursuant to an irrevocable election by the District to have Section 6431(f)(3)(B) of the Internal Revenue Code apply thereto. As a result, the District expects to receive, on or about each interest payment date, a cash subsidy (the "Subsidy Payment") from the United States Treasury (the "Treasury") equal to the lesser of (a) the interest payable on such Series Q Bonds or (b) the amount of interest that would have been payable on each such interest payment date if such interest were determined at a federally-determined tax credit rate on the date of the sale of the Series Q Bonds. The cash payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the Treasury under the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). The Subsidy Payments are subject to reduction (the "Sequestration Reduction") pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the Subsidy Payments by 5.9% through the end of the current federal fiscal year (September 30, 2020). In the absence of action by the U.S. Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect Subsidy Payments currently scheduled for receipt in future federal fiscal years. However, notwithstanding any such reduction, the County Board of Supervisors is empowered and obligated to levy *ad valorem* property taxes in an amount sufficient to pay the principal of and interest on the Series Q Bonds. The Subsidy Payments are not pledged to payment of the Series Q Bonds. However, the District may choose to transfer all or a portion of any Subsidy Payment received to the County Treasurer for deposit in the debt service fund for the Series Q Bonds.
(5) Includes debt service on the Refunded Bonds.

Source: San Mateo-Foster City School District.

* *Preliminary, subject to change.*

TAX MATTERS

In the opinion of Bond Counsel, under existing statutes, regulation, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code but is exempt from State of California personal income tax.

Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Owner of a Bond will increase the Owner's basis in the Bond. Owners of Bonds should consult their own tax advisor with respect to taking into account any original issue discount on the Bonds.

The amount by which a Bond Owner's original basis for determining gain or loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the Owner of a Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of taxable interest received) and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in the Owner of a Bond realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. The Owners of the Bonds that have a basis in the Bonds that is greater than the principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

In the event of a legal defeasance of a Bond, such bond might be treated as retired and "reissued" for federal tax purposes as of the date of the defeasance, potentially resulting in recognition of taxable gain or loss to the applicable Bond Owner generally equal to the difference between the amount deemed realized from the deemed redemption and reissuance and the Bond Owner's adjusted tax basis in such bond.

The federal tax and State of California personal income tax discussion set forth above with respect to the Bonds is included for general information only and may not be applicable depending upon an Owner's particular situation. The ownership and disposal of the Bonds and the accrual or receipt of interest with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences.

A copy of the proposed form of opinion of Bond Counsel for the Bonds is attached hereto as APPENDIX A.

LIMITATION ON REMEDIES; BANKRUPTCY

General

State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – Budget Process" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed thereby, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the Bonds are executed and delivered. See “THE BONDS – Security and Sources of Payment” herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues

If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the proceeds general obligation bonds can only be used to finance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of general obligation bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies

The County on behalf of the District is expected to be in possession of the *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's pooled investment fund, as described in "THE BONDS – Application and Investment of Bond Proceeds" herein and "APPENDIX E – SAN MATEO COUNTY TREASURY POOL" attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights

The proposed form of the approving opinion of Bond Counsel attached hereto as APPENDIX A are qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

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

Expanded Reporting Requirements

Under Section 6049 of the Internal Revenue Code of 1986, as amended by the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"), interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Continuing Disclosure

Current Undertaking. In connection with the issuance of the Bonds, the District will covenant for the benefit of the respective Owners and Beneficial Owners of each series of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), and to provide notices of the occurrence of certain listed events. The obligation to file Annual Reports and notices of listed events will commence with the report for the 2019-20 fiscal year. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Reports or the notices of listed events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS" attached hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

Prior Undertakings. Within the past five years, the District failed to timely file a portion of the annual report for the fiscal year 2017-18, as required by certain of its existing continuing disclosure obligations. For fiscal years 2016-17 through 2018-19 the District misreported its basic aid status in its annual reports for such fiscal years. Within the past five years, the District has also failed to file notices of certain listed events, as required by its then-existing continuing disclosure obligations.

The District has retained Keygent LLC as its dissemination agent to assist it in preparing and filing the annual reports and notices of listed events required under its existing continuing disclosure obligations, as well as the undertaking entered into in connection with the Bonds.

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 questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

Financial Statements

The District's audited financial statements with supplemental information for the year ended June 30, 2019, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 7, 2019 of Chavan & Associates LLP (the "Auditor"), are included in this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor herein, 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.

Legal Opinion

The legal opinion of Bond Counsel approving the validity of the Bonds will be supplied to the respective original purchasers thereof without cost. The proposed form of such legal opinion is attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Ratings

The Bonds have been assigned ratings of "Aaa" and "AA+" by Moody's and S&P, respectively. The ratings reflect only the view of the rating agencies, and any explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Moody's, 7 World Trade Center at 250 Greenwich, New York, NY 10007 and S&P Global Ratings, 55 Water Street, 45th Floor, New York, NY 10041. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any ratings changes on the Bonds. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS" attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

Underwriting

Purchase of Bonds. The Bonds are being purchased by RBC Capital Markets, LLC as representative on behalf of itself and Stifel, Nicolaus & Company, Incorporated (collectively the "Underwriters") pursuant to a Purchase Contract with the District (the "Purchase Contract"). The Underwriters will purchase the Bonds for a purchase price of $_________ (consisting of the initial principal amount of Bonds of $_________, plus original issue premium of $_________, and less an Underwriters' discount of $_________).

The Purchase Contract for the Bonds provide that the Underwriters will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase contracts, the approval of certain legal matters by bond counsel and certain other conditions. The initial offering prices stated on the inside front cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

Underwriters' Disclosures. *The Underwriters have provided the following paragraph for inclusion in this Official Statement. The District does not guarantee the accuracy or completeness of the following information, and the inclusion thereof should not be construed as a representation of the District.*

RBC Capital Markets, LLC and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the RBC

Capital Markets, LLC and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). RBC Capital Markets, LLC and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. RBC Capital Markets, LLC and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. RBC Capital Markets, LLC and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

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Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

Certain of the data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT

By: ______________________________

Dr. Joan Rosas
Superintendent

APPENDIX A

FORM OF BOND COUNSEL OPINION FOR THE BONDS

Upon the issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds substantially in the following form:

[Closing Date]

Board of Trustees
San Mateo-Foster City School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $________ San Mateo-Foster City School District 2020 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution (the "Resolution") adopted by the Board of Trustees of the San Mateo-Foster City School District (the "District").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

4. Interest on the Bonds is exempt from State of California personal income tax.

5. Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated payment price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond.

6. The amount by which a Bond owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the

owner of Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of taxable interest received) for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in the owner of a Bond realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner. The owners of the Bonds that have a basis in the Bonds that is greater than the principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

Except as expressly set forth in paragraphs (3), (4), (5), and (6) we express no opinion regarding any tax consequences with respect to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the District terminates upon the issuance 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 creditors' 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 and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

APPENDIX B

2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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SAN MATEO-FOSTER CITY
SCHOOL DISTRICT

COUNTY OF SAN MATEO
FOSTER CITY, CALIFORNIA

AUDIT REPORT

JUNE 30, 2019

Chavan & Associates, LLP
Certified Public Accountants
1475 Saratoga Ave, Suite 180
San Jose, CA 95129

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SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SAN MATEO COUNTY
TABLE OF CONTENTS

TABLE OF CONTENTS

FINANCIAL SECTION

CHAVAN & ASSOCIATES, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
San Mateo-Foster City School District
Foster City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of San Mateo-Foster City 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 San Mateo-Foster City School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

1475 Saratoga Ave, Suite 180, San Jose, CA 95129
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Opinion

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 San Mateo-Foster City School District, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Deficit Net Position

As of June 30, 2019, the District's net position in its Government-wide financial statements was at a deficit mostly because of the long-term pension, OPEB liabilities and deferrals as reported in Note 8. Our opinion is not modified with respect to this matter.

Other Matters

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The District did not report any direct borrowings and direct placements as of June 30, 2019. Our opinion has not been modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of CalPERS pension contributions, schedule of CalPERS proportionate share of net pension liability, schedule of STRS pension contributions, schedule of STRS proportionate share of net pension liability and schedule of changes in total OPEB liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, as required by the Governmental Accounting Standards Board,

1475 Saratoga Ave, Suite 180, San Jose, CA 95129
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

organization schedule, schedule of average daily attendance, schedule of instructional time offered, schedule of charter schools, schedule of financial trends and analysis, and the reconciliation of the Annual Financial and Budget report to the audited financial statements, as required by the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of average daily attendance, schedule of instructional time offered, the reconciliation of the Annual Financial and Budget report to the audited financial statement, and schedule of expenditures of federal awards are the responsibility of management and were 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 combining and individual nonmajor fund financial statements, schedule of average daily attendance, schedule of instructional time offered, the reconciliation of the Annual Financial and Budget report to the audited financial statement, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The organization schedule, schedule of charter schools, and schedule of financial trends and analysis included have not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2019 on our consideration of San Mateo-Foster City 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Mateo-Foster City School District's internal control over financial reporting and compliance.

C & A LLP

December 7, 2019
San Jose, California

1475 Saratoga Ave, Suite 180, San Jose, CA 95129
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

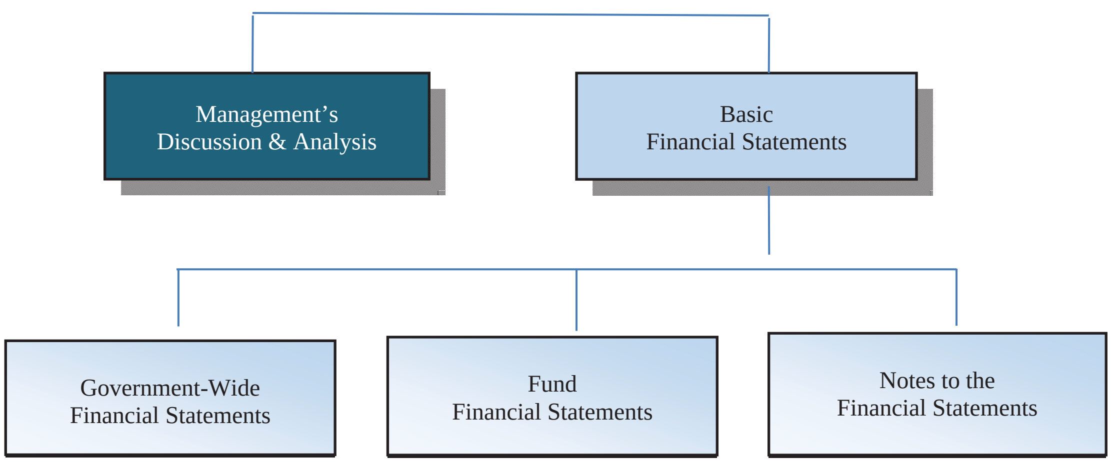
Management's Discussion and Analysis

INTRODUCTION

The Management's Discussion and Analysis (MD&A) is a required section of the District's annual financial report, as shown in the overview below. The purpose of the MD&A is to present a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2019. This report will (1) focus on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity.

This information, presented in conjunction with the annual Basic Financial Statements, is intended to provide a comprehensive understanding of the District's operations and financial standing.

Required Components of the Annual Financial Report



FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2019 were as follows:

- Total net position decreased by $6,207,480 (20%), which included a decrease in unrestricted net position of $22,072,109, from June 30, 2018 to June 30, 2019. The decrease is mainly due to changes in benefit plan liabilities and accreted interest on capital appreciation bonds.

- The District recorded deferred outflows of resources of $53,210,136 and deferred inflows of resources of $11,540,230 as required by GASB 68 and GASB 75 for pension and OPEB accounting and reporting. Deferred outflows of resources are technically not assets but increase the Statement of Net Position similar to an asset and deferred inflows of resources are technically not liabilities but decrease the Statement of Net Position similar to liabilities. See Note 1 in the notes to financial statements for a definition.

- The District had $192,938,265 in government-wide expenses which is 103% of total government-wide revenues. Program specific revenues in the form of operating grants and contributions and charges for services accounted for $39,639,834, or 21.23%, of the total revenues of $186,730,785.

- General revenue of $147,090,951 which includes property taxes, unrestricted federal and state grants and LCFF sources, was 78.77% of total revenues in 2019 versus 81.87% in 2018.

- The fund balances of all governmental funds decreased by $28,707,946, which is a 12.8% decrease from 2018.

- Total governmental fund revenues and expenditures totaled $178,728,290 and $208,186,236, respectively.

USING THE ANNUAL REPORT

This annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the District as an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities comprise the government-wide financial statements and provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the District, the General Fund is by far the most significant fund. The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS - STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2018 - 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting practices used by most private-sector companies. This basis of accounting takes into account all of the current year revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current property tax laws in California restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The District does not have any business type activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's major funds begins on with the Balance Sheet. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. These fund financial statements focus on each of the District's most significant funds. The District's major governmental funds are the General Fund, Building Fund, and the Bond Interest and Redemption Fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. 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 future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary funds

When the District charges other District funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the District's enterprise funds are included within the business-type activities and reported in the district-wide statements but provide more detail and additional information, such as cash flows. The District charges fees to help it cover the costs of certain services it provides. The District's Children's Annex; Bayside Theatre program and fee based preschool services are included in the proprietary funds.

THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2019 as compared to June 30, 2018:

Table 1 - Summary of Statement of Net Position

	Governmental Activities			Business-type Activities		
Description	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Assets						
Current and OtherAssets	$ 204,478,817	$ 232,001,522	-11.9%	$ 8,747,878	$ 8,175,357	7.0%
Capital Assets	273,443,369	243,170,558	12.4%	-	-	0.0%
Total Assets	**$ 477,922,186**	**$ 475,172,080**	**0.6%**	**$ 8,747,878**	**$ 8,175,357**	**7.0%**
Total Deferred Outflows of Resources	**$ 50,808,241**	**$ 42,689,442**	**19.0%**	**$ 2,401,895**	**$ 2,169,113**	**10.7%**
Liabilities						
Current Liabilities	$ 13,233,397	$ 12,250,509	8.0%	$ 366,686	$ 400,915	-8.5%
Long-term Liabilities	540,361,141	526,331,616	2.7%	11,935,265	10,675,083	11.8%
Total Liabilities	**$ 553,594,538**	**$ 538,582,125**	**2.8%**	**$ 12,301,951**	**$ 11,075,998**	**11.1%**
Total Deferred Inflows of Resources	**$ 11,238,739**	**$ 9,532,458**	**17.9%**	**$ 301,491**	**$ 364,450**	**-17.3%**
Net Position						
Net Investment in Capital Assets	$ 80,140,535	$ 75,675,096	5.9%	$ -	$ -	0.0%
Restricted	42,319,850	30,920,660	36.9%	-	-	0.0%
Unrestricted	(158,563,235)	(136,848,817)	-15.9%	(1,453,669)	(1,095,978)	32.6%
Total Net Position	**$ (36,102,850)**	**$ (30,253,061)**	**19.3%**	**$ (1,453,669)**	**$ (1,095,978)**	**32.6%**

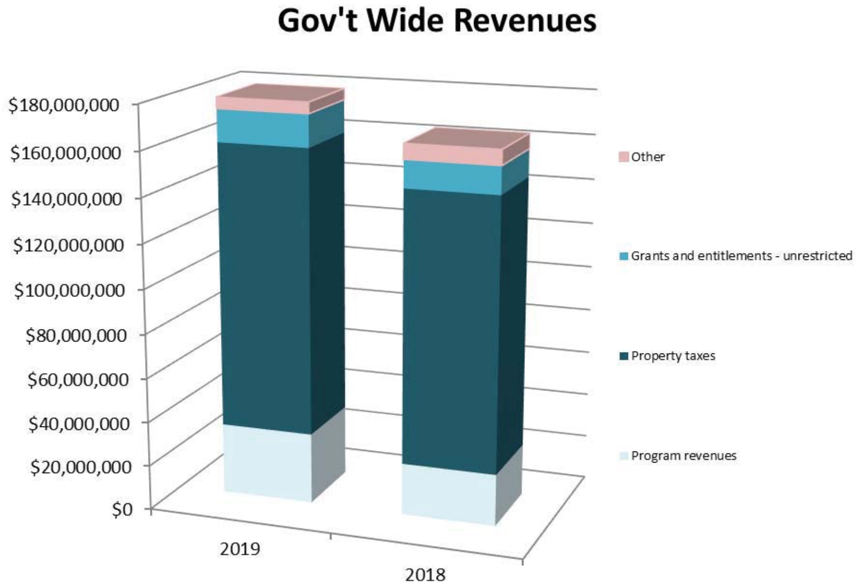
During the year, deferred outflows of resources increased by 19%, deferred inflows of resources increased by 17%, and long-term liabilities increased by 3% mostly because of changes in pension and OPEB amounts and actuarial assumptions related to GASB 68 and GASB 75, respectively. GASB 68 requires all local governments that participate in cost sharing pension plans to record its proportionate share of net pension liabilities from pension plans in the government-wide financial statements.

Table 2 shows the changes in net position for fiscal year 2019 as compared to 2018:

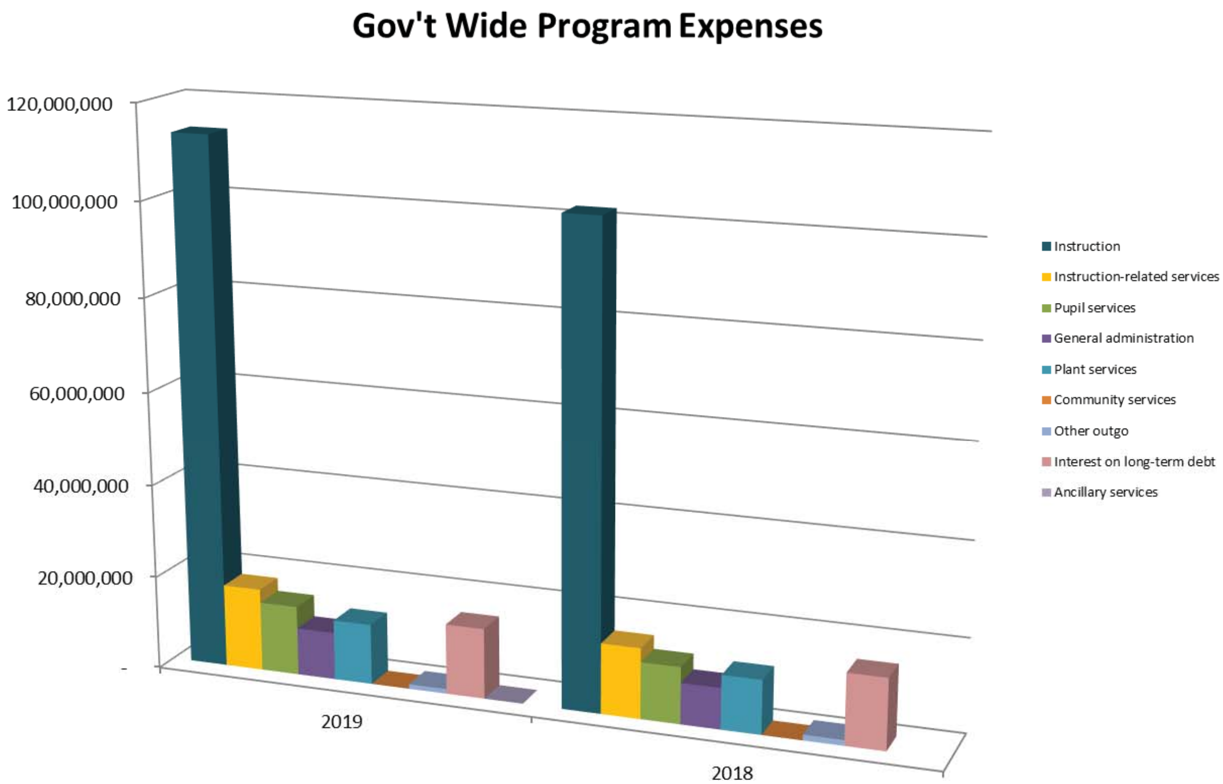
Table 2 - Summary of Changes in Statement of Activities						
	Governmental Activities			Business-type Activities		
Description	**2019**	**2018**	**% Change**	**2019**	**2018**	**% Change**
Revenues						
Program revenues	$ 31,788,541	$ 23,328,525	36.3%	$ 7,851,293	$ 7,764,719	1.1%
General revenues:						
Property taxes	128,068,681	121,985,205	5.0%	-	-	0.0%
Grants and entitlements, unrestricted	14,666,176	12,396,462	18.3%	-	-	0.0%
Other	4,954,891	6,717,416	-26.2%	(598,797)	(670,005)	10.6%
Total Revenues	179,478,289	164,427,608	9.2%	7,252,496	7,094,714	2.2%
Program Expenses						
Instruction	113,404,854	102,111,644	11.1%	-	-	0.0%
Instruction-related services	17,704,458	15,038,595	17.7%	-	-	0.0%
Pupil services	14,853,416	12,109,054	22.7%	-	-	0.0%
General administration	10,143,405	8,771,821	15.6%	-	-	0.0%
Plant services	12,901,885	11,544,652	11.8%	-	-	0.0%
Ancillary services	281,927	265,248	6.3%	-	-	0.0%
Payments to other agencies	998,315	1,208,581	-17.4%	-	-	0.0%
Interest on long-term debt	15,039,818	15,189,524	-1.0%	-	-	0.0%
Enterprise	-	-	0.0%	7,610,187	7,556,042	0.7%
Total Expenses	185,328,078	166,239,119	11.5%	7,610,187	7,556,042	0.7%
Change in Net Position	(5,849,789)	(1,811,511)	222.9%	(357,691)	(461,328)	-22.5%
Begininng Net Position	(30,253,061)	22,801,034	-232.7%	(1,095,978)	2,911,153	-137.6%
Prior Period Adjustments - GASB 75	-	(51,242,584)	100.0%	-	(3,545,803)	100.0%
Ending Net Position	**$ (36,102,850)**	**$ (30,253,061)**	**19.3%**	**$ (1,453,669)**	**$ (1,095,978)**	**32.6%**

The District's expenses for instructional services was 67.95% of total expenses in both 2018-19 as compared to 67.4% in 2017-18. The purely administrative activities of the District accounted for 5.3% of total costs in 2018-19 as compared to 5% in 2017-18. Interest on long-term debt represented 7.8% of total expenses in 2018-19 as compared to 8.7% in 2017-18. Total expenses were 103% of revenue in 2018-19 versus 101% in 2017-18, which is reflected in the decrease in net position of $6,207,480 in 2018-19 versus a decrease in net position of $2,272,839 in 2017-18. In regards to revenue, program revenues were 21.23% of total revenues in 2018-19 and 18.1% of total revenues in 2017-18.

The following is a summary of government wide revenues for the fiscal year ended June 30, 2019:



The following is a summary of expenses by function for the fiscal year ended June 30, 2019:



GOVERNMENTAL ACTIVITIES

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the net cost of services as compared to the prior fiscal year. That is, it identifies the cost of these services supported by general revenues for the government-wide statements (not the General Fund).

Table 3 - Net Cost of Services Governmental Activities

Description	2019	2018	Change	% Change
Instruction	$ 96,218,548	$ 90,747,289	$ 5,471,259	6.0%
Instruction-related services	15,594,145	13,677,780	1,916,365	14.0%
Pupil services	10,957,200	8,789,672	2,167,528	24.7%
General administration	9,435,500	8,263,973	1,171,527	14.2%
Plant services	11,349,769	11,436,286	(86,517)	-0.8%
Ancillary services	226,199	215,259	10,940	5.1%
Other outgo	(5,281,642)	(5,409,189)	127,547	2.4%
Interest on long-term debt	15,039,818	15,189,524	(149,706)	-1.0%
Total Net Cost of Services	**$ 153,539,537**	**$ 142,910,594**	**$ 10,628,943**	**7.4%**

The following summarizes the District's functions:

- *Instruction* expenditures include activities directly dealing with the teaching of pupils.
- *Instruction-related Services* include the activities involved with assisting staff with the content and process of educating students.
- *Pupil Services* include guidance and counseling, psychological, health, speech and testing services, transporting students, as well as preparing, delivering, and serving meals to students.
- *General Administration* reflects expenditures associated with the administrative and financial supervision of the School District. Typical functions would include the Board of Trustees and Superintendent, Human Resources, Data Processing and Business Services.
- *Plant Services* involve keeping the school grounds and equipment in effective working condition.
- *Ancillary Services* represent the expenditures associated with co-curricular and athletic programs.
- *Community Services* are expenses related to direct support around the community.
- *Other Outgo* includes tuitions and transfers of resources between the District and other educational agencies for services provided to District students.

THE DISTRICT'S FUNDS

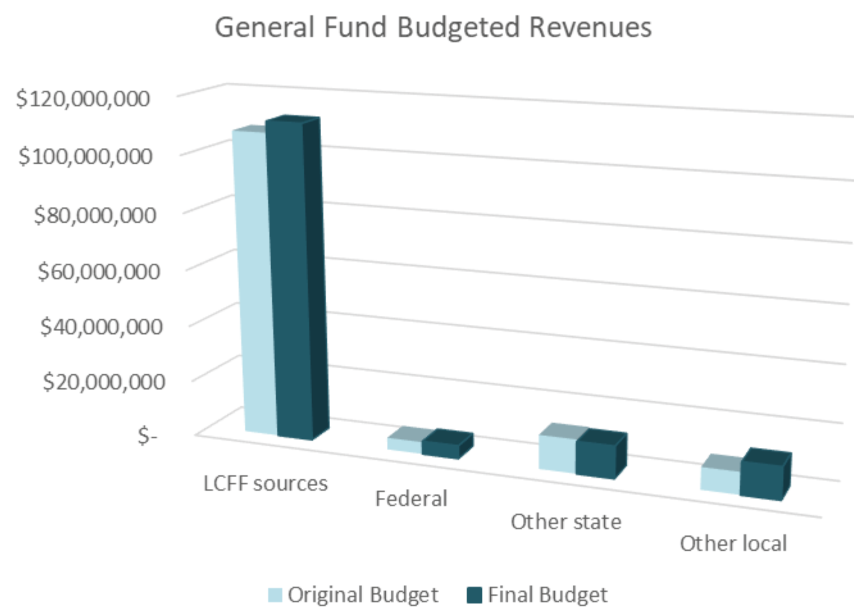
Table 4 provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

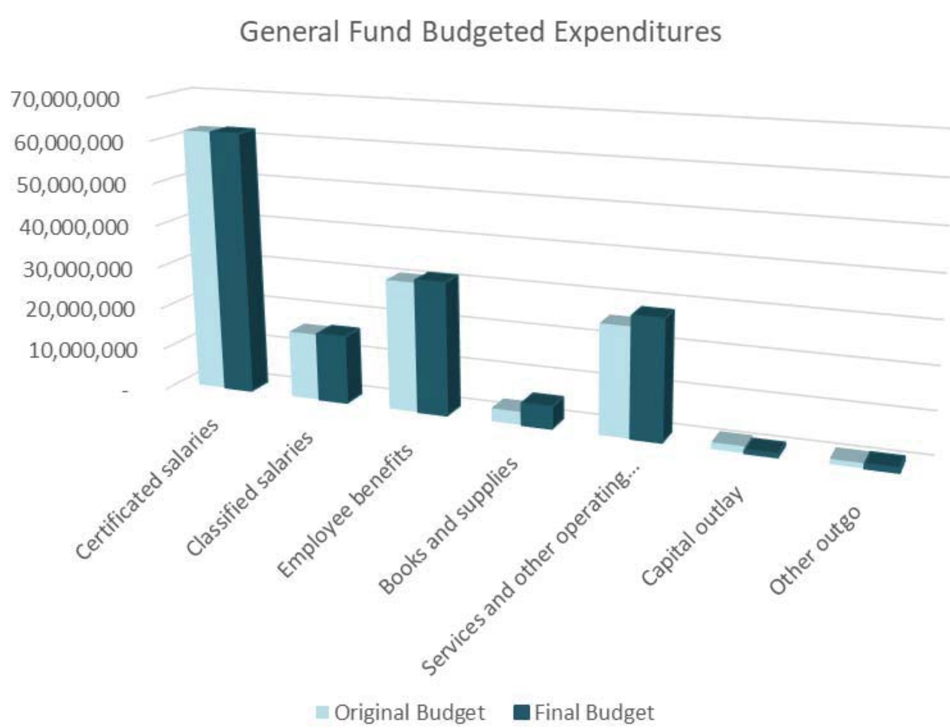
Table 4 - Summary of Fund Balances

Description	2019	2018	Change	% Change
General Fund	$ 72,256,223	$ 73,491,976	$ (1,235,753)	-1.7%
Building Fund	76,383,662	114,099,455	(37,715,793)	-33.1%
Bond Interest and Redemption Fund	20,832,234	19,724,443	1,107,791	5.6%
Nonmajor Funds	25,737,831	16,602,022	9,135,809	55.0%
Total Fund Balances	**$ 195,209,950**	**$ 223,917,896**	**$ (28,707,946)**	**-12.8%**

FINANCIAL ANALYSIS OF THE GENERAL FUND AND BUDGETING HIGHLIGHTS

The District's budget is prepared according to California law and in the modified accrual basis of accounting. During the course of the 2018-19 fiscal year, the District revised its General Fund budget twice, at 1st Interim and 2nd interim. The following charts summarize the changes from the District's original and final budgets.





CAPITAL ASSETS

Table 5 shows June 30, 2019 balances as compared to June 30, 2018.

Table 5 - Summary of Capital Assets Net of Depreciation

Description	2019	2018	Change	% Change
Land	$ 10,269,460	$ 11,996,895	$ (1,727,435)	-14.40%
Work-in-Progress	58,881,193	43,113,862	15,767,331	36.57%
Site Improvements	18,834,186	6,772,566	12,061,620	178.10%
Buildings	177,210,952	176,459,870	751,082	0.43%
Furniture and Equipment	8,247,578	4,827,365	3,420,213	70.85%
Total Capital Assets - Net	**$ 273,443,369**	**$ 243,170,558**	**$ 30,272,811**	**12.45%**

LONG TERM DEBT

Table 6 summarizes the percent changes in Long-term Debt over the past two years.

Table 6 - Summary of Long-term Liabilities

Description	2019	2018	Change	% Change
Bonds	$ 327,805,101	$ 335,509,439	$ (7,704,338)	-2.30%
Net OPEB Liability	75,186,793	68,903,581	6,283,212	9.12%
Compensated Absences	545,954	454,694	91,260	20.07%
Net Pension Liabilities	148,758,558	132,138,985	16,619,573	12.58%
Total Long-term Liabilities	**$ 552,296,406**	**$ 537,006,699**	**$ 15,289,707**	**2.85%**

FACTORS BEARING ON THE DISTRICT'S FUTURE

There are several factors that will affect the San Mateo-Foster City School District' future.

One significant issue the District will face over the next few years is higher costs arising from scheduled pension contribution rate increases.

The District is a community-funded district, deriving a majority of its revenue from local property taxes and very little funding from the State. As a community-funded district, student enrollment growth does not provide additional revenues as in State-funded districts and so presents a challenge, as does the general economy. Current projections predict flat enrollment for the next few years. The District's 2019-20 Adopted Budget included an increase in secured property tax, that portion of property tax generated from assessed values of land and structures, of an estimated 5%. While this reflects a healthy economy, it should be noted that property taxes are difficult to predict. The District relies on community support with generous contributions from its foundation and two parcel taxes. One of these parcel taxes is evergreen. On November of 2018, the community overwhelmingly approved a new nine-year parcel tax (Measure V) which will provide a consistent and reliable source of revenue generating approximately $10 million annually. The District maintains healthy reserves for economic uncertainties to weather economic adversity and provide the fiscal flexibility to address such issues as they arise. The District believes to increase the reserve back to 10% is prudent to maintain a high bond rating and to protect the District from the effects of fluctuations in property tax revenues to which basic aid districts are vulnerable.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the District's Director of Fiscal Services, Christine Gong, San Mateo-Foster City School District, 1170 Chess Drive, Foster City, California, 94404, or e-mail to at cgong@smfcsd.net.

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Basic Financial Statements

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and investments	$ 196,535,211	$ 8,746,364	$ 205,281,575
Accounts receivable	7,417,632	47,486	7,465,118
Other assets	460,868	19,134	480,002
Internal balances	65,106	(65,106)	-
Total current assets	204,478,817	8,747,878	213,226,695
Noncurrent assets:			
Non-depreciable capital assets	69,150,653	-	69,150,653
Depreciable capital assets - net	204,292,716	-	204,292,716
Total noncurrent assets	273,443,369	-	273,443,369
Total Assets	$ 477,922,186	$ 8,747,878	$ 486,670,064
Deferred Outflows of Resources			
OPEB adjustments	$ 1,862,244	$ 106,556	$ 1,968,800
Pension adjustments	46,707,575	2,295,339	49,002,914
Deferred loss on early retirement of debt	2,238,422	-	2,238,422
Total Deferred Outflows of Resources	$ 50,808,241	$ 2,401,895	$ 53,210,136
Liabilities			
Current liabilities:			
Accounts payable	$ 8,472,446	$ 110,729	$ 8,583,175
Unearned revenue	796,421	255,957	1,052,378
Accrued interest	3,964,530	-	3,964,530
Total current liabilities	13,233,397	366,686	13,600,083
Long-term liabilities:			
Due within one year	13,119,570	-	13,119,570
Due after one year	527,241,571	11,935,265	539,176,836
Total long-term liabilities	540,361,141	11,935,265	552,296,406
Total Liabilities	$ 553,594,538	$ 12,301,951	$ 565,896,489
Deferred Inflows of Resources			
OPEB adjustments	$ 2,376,664	$ 143,625	$ 2,520,289
Pension adjustments	8,862,075	157,866	9,019,941
Total Deferred Inflows of Resources	$ 11,238,739	$ 301,491	$ 11,540,230
Net Position			
Net investment in capital assets	$ 80,140,535	$ -	$ 80,140,535
Restricted for:			
Capital projects	19,837,370	-	19,837,370
Debt service	7,819,305	-	7,819,305
Parcel tax	1,109,965	-	1,109,965
Cafeteria programs	1,466,056	-	1,466,056
Educational programs	12,087,154	-	12,087,154
Total restricted net position	42,319,850	-	42,319,850
Unrestricted	(158,563,235)	(1,453,669)	(160,016,904)
Total Net Position	$ (36,102,850)	$ (1,453,669)	$ (37,556,519)

The notes to basic financial statements are an integral part of this statement

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

		Program Revenues		Net (Expense) Revenues and Changes in Net Position		
Functions/Programs:	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction	$ 113,404,854	$ 313,124	$ 16,873,182	$ (96,218,548)	$ -	$ (96,218,548)
Instruction-related services:						
Supervision of instruction	4,691,039	248	536,231	(4,154,560)	-	(4,154,560)
Instruction library, media and technology	1,222,817	13,296	225,553	(983,968)	-	(983,968)
School site administration	11,790,602	8,077	1,326,908	(10,455,617)	-	(10,455,617)
Pupil services:						
Home-to-school transportation	3,453,910	-	21,349	(3,432,561)	-	(3,432,561)
Food services	3,736,195	734,723	2,113,682	(887,790)	-	(887,790)
All other pupil services	7,663,311	9,238	1,017,224	(6,636,849)	-	(6,636,849)
General administration:						
Data processing	2,227,964	189	66,680	(2,161,095)	-	(2,161,095)
All other general administration	7,915,441	29,053	611,983	(7,274,405)	-	(7,274,405)
Plant services	12,901,885	4,363	1,547,753	(11,349,769)	-	(11,349,769)
Ancillary services	281,927	3,904	51,824	(226,199)	-	(226,199)
Payments to other agencies	998,315	364,003	5,915,954	5,281,642	-	5,281,642
Interest on long-term debt	15,039,818	-	-	(15,039,818)	-	(15,039,818)
Total governmental activities	$ 185,328,078	$ 1,480,218	$ 30,308,323	(153,539,537)	-	(153,539,537)
Business-type activities:						
The Children's Annex	5,048,658	5,629,240	-	-	580,582	580,582
Fee based preschool program	2,377,168	2,125,593	-	-	(251,575)	(251,575)
Bayside Theatre	184,361	96,460	-	-	(87,901)	(87,901)
Total business-type activities	$ 7,610,187	$ 7,851,293	$ -	-	241,106	241,106
General revenues and transfers:						
Taxes and subventions:						
Taxes levied for general purposes				102,244,298	-	102,244,298
Taxes levied for debt service				22,029,694	-	22,029,694
Taxes levied for other specific purposes				3,794,689	-	3,794,689
Federal and state aid non restricted to specific purposes				14,666,176	-	14,666,176
Interest and investment earnings				1,974,035	151,203	2,125,238
Miscellaneous				2,230,856	-	2,230,856
Internal transfers				750,000	(750,000)	-
Total general revenues and transfers				147,689,748	(598,797)	147,090,951
Change in net position				(5,849,789)	(357,691)	(6,207,480)
Net position beginning				(30,253,061)	(1,095,978)	(31,349,039)
Net position ending				$ (36,102,850)	$ (1,453,669)	$ (37,556,519)

The notes to basic financial statements are an integral part of this statement

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	$ 78,908,733	$ 78,622,855	$ 20,725,360	$ 18,278,263	$ 196,535,211
Accounts receivable	6,237,074	484,015	106,874	589,669	7,417,632
Due from other funds	263,883	44,567	-	7,320,833	7,629,283
Other assets	366,242	27,588	-	67,038	460,868
Total Assets	$ 85,775,932	$ 79,179,025	$ 20,832,234	$ 26,255,803	$ 212,042,994
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 5,606,953	$ 2,731,917	$ -	$ 133,576	$ 8,472,446
Due to other funds	7,301,439	63,446	-	199,292	7,564,177
Unearned revenue	611,317	-	-	185,104	796,421
Total Liabilities	13,519,709	2,795,363	-	517,972	16,833,044
Fund balances:					
Nonspendable:					
Revolving fund	35,000	-	-	-	35,000
Stores inventory	-	-	-	60,786	60,786
Prepaid expenses	366,242	-	-	6,252	372,494
Restricted for:					
Parcel tax	1,109,965	-	-	-	1,109,965
Cafeteria programs	-	-	-	1,466,056	1,466,056
Capital projects	-	76,383,662	-	19,837,370	96,221,032
Educational programs	11,273,066	-	-	-	11,273,066
Legally restricted balances	-	-	-	814,088	814,088
Debt service	-	-	20,832,234	-	20,832,234
Assigned for:					
Cafeteria programs	-	-	-	732,538	732,538
Vacation	549,000	-	-	-	549,000
Supplemental	2,558,413	-	-	-	2,558,413
Balance of deficit gap	2,385,764	-	-	-	2,385,764
Textbook adoption science	3,000,000	-	-	-	3,000,000
SMETA negotiated salary increase	4,439,000	-	-	-	4,439,000
Payroll reserves	9,114,003	-	-	-	9,114,003
Affordable care act	150,000	-	-	-	150,000
Deferred maintenance projects	4,027,924	-	-	-	4,027,924
Flood insurance deductible	500,000	-	-	-	500,000
Self insurance	94,485	-	-	-	94,485
Retiree benefits	23,758,251	-	-	-	23,758,251
Capital projects	-	-	-	2,517,399	2,517,399
Educational programs	-	-	-	303,342	303,342
Unassigned:					
Economic uncertainties	8,895,110	-	-	-	8,895,110
Total Fund Balances	72,256,223	76,383,662	20,832,234	25,737,831	195,209,950
Total Liabilities and Fund Balances	$ 85,775,932	$ 79,179,025	$ 20,832,234	$ 26,255,803	$ 212,042,994

The notes to basic financial statements are an integral part of this statement

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances - governmental funds		$ 195,209,950
Amounts reported in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Capital assets at cost	$ 398,842,916	
Accumulated depreciation	(125,399,547)	273,443,369
The differences from pension plan assumptions in actuarial valuations are not included in the plan's actuarial study until the next fiscal year and are reported as deferred inflows of resources in the Statement of Net Position.		(8,862,075)
Deferred outflows of resources include amounts that will not be included in the calculation of the District's net pension liability of the plan year included in this report such as current fiscal year contributions as recorded in the fund statements.		46,707,575
The differences between projected and actual amounts in OPEB plans are not included in the plans actuarial study until the next fiscal year and are reported as deferred outflows or inflows of resources in the statement of net position as follows:		
OPEB adjustments:		
Contributions subsequent to the measurement date	$ 1,862,244	
Change in assumptions	(2,376,664)	(514,420)
Interest payable on long-term debt does not require the use of current financial resources and, therefore, are not reported in the governmental funds.		(3,964,530)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consists of:		
General obligation and revenue bonds	$ 327,805,101	
Loss on early retirement of long-term debt	(2,238,422)	
Net pension obligations	140,867,962	
Net OPEB liability	71,142,124	
Compensated absences (vacation)	545,954	(538,122,719)
Total net position - governmental activities		$ (36,102,850)

The notes to basic financial statements are an integral part of this statement

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
LCFF sources	$ 112,392,207	$ -	$ -	$ -	$ 112,392,207
Federal revenue	3,917,584	-	-	2,109,680	6,027,264
Other state	17,886,514	-	83,756	3,116,413	21,086,683
Other local	11,274,490	2,042,229	23,410,940	2,494,477	39,222,136
Total revenues	145,470,795	2,042,229	23,494,696	7,720,570	178,728,290
Expenditures:					
Current					
Instruction	93,698,924	-	-	1,502,031	95,200,955
Instruction-related services:					
Supervision of instruction	4,258,243	-	-	-	4,258,243
Instruction library, media and technology	1,110,000	-	-	-	1,110,000
School site administration	10,372,083	-	-	330,715	10,702,798
Pupil services:					
Home-to-school transportation	2,985,852	-	-	-	2,985,852
Food services	66	-	-	3,361,062	3,361,128
All other pupil services	6,955,613	-	-	679	6,956,292
General administration:					
Data processing	2,022,412	-	-	-	2,022,412
All other general administration	6,276,718	-	-	196,021	6,472,739
Plant services	10,616,323	-	-	398,733	11,015,056
Facilities acquisition and construction	620,892	39,758,022	-	80,711	40,459,625
Ancillary services	255,916	-	-	-	255,916
Payments to other agencies	998,315	-	-	-	998,315
Debt service:					
Principal	-	-	12,468,027	-	12,468,027
Interest and fees	-	-	9,918,878	-	9,918,878
Total expenditures	140,171,357	39,758,022	22,386,905	5,869,952	208,186,236
Excess (deficiency) of revenues over (under) expenditures	5,299,438	(37,715,793)	1,107,791	1,850,618	(29,457,946)
Other financing sources (uses):					
Transfers in	750,000	-	-	7,285,191	8,035,191
Transfers out	(7,285,191)	-	-	-	(7,285,191)
Total other financing sources (uses)	(6,535,191)	-	-	7,285,191	750,000
Net changes in fund balances	(1,235,753)	(37,715,793)	1,107,791	9,135,809	(28,707,946)
Fund balances beginning	73,491,976	114,099,455	19,724,443	16,602,022	223,917,896
Fund balances ending	$ 72,256,223	$ 76,383,662	$ 20,832,234	$ 25,737,831	$ 195,209,950

The notes to basic financial statements are an integral part of this statement

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total net change in fund balances - governmental funds		$ (28,707,946)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital assets additions, net disposals and adjustments	$ 40,883,829	
Depreciation expense	(10,611,018)	30,272,811
Accreted interest on capital appreciation bonds is not recorded in the governmental funds but is required to be recorded under the accrual basis of accounting in the government wide financial statements.		(6,024,997)
The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The net effect of these differences in the treatment of long-term debt and related items is as follows:		
Repayment of debt principal		12,468,027
Amortization of loss on early retirement of long-term debt		(559,605)
Discounts and premiums related to bond issues are recorded as other financing sources and uses in the fund financial statements, but are recorded as assets or liabilities and amortized over the life of the bond in the statement of net position:		1,261,309
In the statement of activities, compensated absences are measured by the amount earned during the year. In governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially the amounts paid). This year vacation earned exceeded the amounts used by:		(91,260)
In governmental funds, actual contributions to pension plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year pension expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.		(10,656,355)
In governmental funds, actual contributions to OPEB plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year OPEB expense as noted in the plan's valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.		(4,014,126)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized 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.		202,353
Changes in net position of governmental activities		$ (5,849,789)

The notes to basic financial statements are an integral part of this statement

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	The Children's Annex	Fee Based Preschool Program	Bayside Theatre	Total Enterprise Funds
Assets				
Cash and investments	$ 6,450,650	$ 2,079,583	$ 216,131	$ 8,746,364
Accounts receivable	44,948	38	2,500	47,486
Due from other funds	-	5,472	-	5,472
Other assets	17,334	1,800	-	19,134
Total Assets	$ 6,512,932	$ 2,086,893	$ 218,631	$ 8,818,456
Deferred Outflows of Resources				
OPEB Adjustments	$ 73,524	$ 30,901	$ 2,131	$ 106,556
Pension adjustments	1,583,784	665,648	45,907	2,295,339
Total Deferred Outflows of Resources	$ 1,657,308	$ 696,549	$ 48,038	$ 2,401,895
Liabilities				
Current liabilities:				
Accounts payable	$ 26,813	$ 77,704	$ 6,212	$ 110,729
Due to other funds	12,174	58,404	-	70,578
Unearned revenue	76,231	178,476	1,250	255,957
Total current liabilities	115,218	314,584	7,462	437,264
Long-term liabilities:				
Net OPEB liabilities	2,790,822	1,172,954	80,893	4,044,669
Net pension obligations	5,444,511	2,288,273	157,812	7,890,596
Total long-term liabilities	8,235,333	3,461,227	238,705	11,935,265
Total Liabilities	$ 8,350,551	$ 3,775,811	$ 246,167	$ 12,372,529
Deferred Inflows of Resources				
OPEB Adjustments	$ 99,101	$ 41,651	$ 2,873	$ 143,625
Pension adjustments	108,928	45,781	3,157	157,866
Total Deferred Inflows of Resources	$ 208,029	$ 87,432	$ 6,030	$ 301,491
Net Position				
Unrestricted	$ (388,340)	$ (1,079,801)	$ 14,472	$ (1,453,669)
Total Net Position	$ (388,340)	$ (1,079,801)	$ 14,472	$ (1,453,669)

The notes to basic financial statements are an integral part of this statement

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	The Children's Annex	Fee Based Preschool Program	Bayside Theatre	Total Enterprise Funds
Operating Revenues				
Local revenue	$ 5,629,240	$ 2,125,593	$ 96,460	$ 7,851,293
Operating Expenses				
Certificated salaries	371,309	128,982	-	500,291
Classified salaries	2,449,815	1,122,962	97,424	3,670,201
Employee benefits	1,819,446	772,702	71,755	2,663,903
Books and supplies	221,403	23,061	2,777	247,241
Services and other operating expenses	186,685	329,461	12,405	528,551
Total Operating Expenses	5,048,658	2,377,168	184,361	7,610,187
Operating Income (Loss)	580,582	(251,575)	(87,901)	241,106
Nonoperating Revenues (Expenses):				
Interest income	151,203	-	-	151,203
Income Before Transfers	731,785	(251,575)	(87,901)	392,309
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	(500,000)	(250,000)	-	(750,000)
Change in Net Position	231,785	(501,575)	(87,901)	(357,691)
Beginning Net Position	(620,125)	(578,226)	102,373	(1,095,978)
Ending Net Position	$ (388,340)	$ (1,079,801)	$ 14,472	$ (1,453,669)

The notes to basic financial statements are an integral part of this statement

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2019

	The Children's Annex	Fee Based Preschool Program	Bayside Theatre	Total Enterprise Funds
Cash Flows from Operating Activities				
Receipts from customers	$ 5,595,124	$ 2,100,546	$ 109,595	$ 7,805,265
Payments to employees	(3,966,100)	(1,897,834)	(129,894)	(5,993,828)
Payments to vendors	(415,761)	(310,491)	(16,101)	(742,353)
Net cash provided by (used for) operating activities	1,213,263	(107,779)	(36,400)	1,069,084
Cash Flows from Noncapital Financing Activities				
Transfer out	(500,000)	(250,000)	-	(750,000)
Net cash provided by (used for) noncapital financing activities	(500,000)	(250,000)	-	(750,000)
Cash Flows from Investing Activities				
Interest income	151,203	-	-	151,203
Increase in Cash and Cash Equivalents	864,466	(357,779)	(36,400)	470,287
Cash and Cash Equivalents - Beginning	5,586,184	2,437,362	252,531	8,276,077
Cash and Cash Equivalents - Ending	$ 6,450,650	$ 2,079,583	$ 216,131	$ 8,746,364
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	$ 580,582	$ (251,575)	$ (87,901)	$ 241,106
Adjustments to reconcile net operating income to net cash provided by operating activities:				
Decrease (increase) in operating assets				
Accounts receivable	4,655	2,262	11,885	18,802
Due from other funds	1,189	(5,472)	-	(4,283)
Other assets	2,838	-	-	2,838
Deferred outflows of resources	(162,234)	(61,002)	(9,546)	(232,782)
Increase (decrease) in operating liabilities				
Accounts payable	(10,511)	42,031	(919)	30,601
Due to other funds	1,212	(120,803)	-	(119,591)
Unearned revenue	(38,771)	(27,309)	1,250	(64,830)
Deferred inflows of resources	(43,169)	(19,352)	(438)	(62,959)
Net OPEB liabilities	222,002	80,963	14,756	317,721
Net pension obligations	655,470	252,478	34,513	942,461
Net cash provided by operating activities	$ 1,213,263	$ (107,779)	$ (36,400)	$ 1,069,084

The notes to basic financial statements are an integral part of this statement

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	Foundation Agency Fund	Student Body Agency Fund	Total
Assets			
Cash	$ 135,266	$ 25,946	$ 161,212
Accounts receivable	784	152	936
Total Assets	$ 136,050	$ 26,098	$ 162,148
Liabilities			
Due to student groups	$ 136,050	26,098	$ 162,148
Total Liabilities	$ 136,050	$ 26,098	$ 162,148

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

The San Mateo-Foster City School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees. The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Accordingly, for the year ended June 30, 2019, the District had the following component units: The San Mateo-Foster City School District Public Education Facilities Financing Corporation whose purpose is to finance the construction of facilities to be used for the direct benefit of the District. However, there has been no financial activity for the past few years.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include the reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

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

Fund Financial Statements:

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

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows, current liabilities and deferred inflows are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 365 days after year-end.

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

The District applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply.

The sources of authoritative GAAP are categorized in descending order of authority as follows:

a. Officially established accounting principles—Governmental Accounting Standards Board (GASB) Statements (Category A)
b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

Deferred Outflow of Resources and Deferred Inflow of Resources:

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding which is reported in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the net pension and OPEB liabilities reported in the Statement of Net Position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the pension and OPEB liabilities reported in the Statement of Net Position.

Unearned Revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue. In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows from unavailable resources.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Proprietary Funds:

Proprietary funds are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

Fiduciary Funds:

Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting.

E. <u>Fund Accounting</u>

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

Major Governmental Funds:

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund and includes transactions accounted for in the Deferred Maintenance Fund, Special Reserve Fund for Other Than Capital Outlay and the Retiree Benefits Fund.

The *Building Fund* is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

The *Bond Interest and Redemption Fund* is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of the funding of general obligation bonds issued by the District.

Nonmajor Governmental Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed for purposes other than debt service or capital projects. The restricted or committed resources need to comprise a substantial portion of the inflows reported in the special revenue fund. The District maintains the following nonmajor special revenue funds:

- The *Child Development Fund* is used to account for resources restricted for child development programs maintained by the District

- The *Cafeteria Fund* is a special revenue fund used to account for revenues received and expenditures made to operate the District's food service programs.

Capital Projects Funds are used to account for resources restricted, committed or assigned for capital outlays. The District maintains the following nonmajor capital projects funds:

- The *Capital Facilities Fund* is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

- The *County School Facilities Fund* is used primarily to account separately for State apportionments for the construction of school facilities (Education Code Sections 17010.10-17076.10).

- The *Special Reserve Fund for Capital Outlay Projects* exists primarily for the accumulation of General Fund monies for capital outlay purposes.

Proprietary Funds:

Proprietary Funds focus on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary Funds are classified as enterprise or internal service. The District has the following proprietary funds:

The *Children's Annex* enterprise fund accounts for revenue and expenses of the District's before and after school childcare and enrichment programs.

The *Fee Based Preschool Program* enterprise fund accounts for revenue and expenses of the District's fee based preschool programs.

The *Bayside Theatre* enterprise fund accounts for revenue and expenses related to the operation of the Bayside Theatre on the Bayside Academy campus.

Each of these funds were reported as a major funds.

Fiduciary Funds:

Fiduciary Funds are agency funds used to account for assets of others for which the District acts as an agent. The District maintains a foundation scholarship fund and student body funds, which are used to account for the raising and expending of money to promote the general welfare, morale, and educational experience of the student body. Agency funds are custodial in nature 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 amounts reported for student body funds represent the combined totals of all schools within the District.

F. Budgets and Budgetary Accounting

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

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the General Fund are presented as Required Supplementary Information. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. Encumbrances

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

H. Benefit Plans

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 District's California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System plans (CalSTRS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and CalSTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this period, the following time frames were used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

The following summarizes the pension plan balances for the fiscal year:

	PERS	STRS	Total
Deferred outflows of resources	$ 11,956,008	$ 37,046,906	$ 49,002,914
Deferred inflows of resources	$ 522,343	$ 8,497,599	$ 9,019,942
Pension expense	$ 8,147,099	$ 26,577,703	$ 34,724,802
Net pension liabilities	$ 42,146,438	$ 106,612,120	$ 148,758,558

Other 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’s Retiree Benefits Plan (the OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

I. Assets, Liabilities, and Equity

1. Cash and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Deposit Insurance Corporation.

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

All District-directed investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District’s securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

2. Fair Value Measurements

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.

- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.

- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

3. Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method, in that inventory acquisitions are initially recorded as expenditures. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District's central warehouse inventory is valued at a moving average cost and consists of expendable supplies held for consumption. The District has the option of reporting 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.

4. Capital Assets

Capital assets, which include sites, improvement of sites, buildings and improvements, equipment, and construction in progress, are reported in the government-wide financial statements. Such assets are valued at historical cost or estimated historical cost unless obtained by annexation or donation. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The District utilizes a capitalization threshold of $5,000.

Projects under construction are recorded at cost as construction in progress and transferred to the appropriate asset account when substantially complete. Costs of major improvements and rehabilitation of buildings are capitalized. Repair and maintenance costs are charged to expense when incurred. Equipment disposed of, or no longer required for its existing use, is removed from the records at actual or estimated historical cost, net of accumulated depreciation.

All capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Improvement of sites	5-50
Buildings and improvements	20-50
Furniture and Equipment	2-15

5. Compensated Absences

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

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, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave.

6. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

7. Fund Balance Classifications

The District maintains a minimum unassigned fund balance of not less than 5 percent of budgeted general fund expenditures and other financing uses as a reserve for economic uncertainties. The District believes a reserve of this level is prudent to maintain a high bond rating and to protect the District from the effects of fluctuations in property tax revenues to which basic aide districts are vulnerable. Because amounts in the nonspendable, restricted, committed, and assigned categories are subject to varying constraints on their use, the reserve for economic uncertainties consists of balances that are otherwise unassigned.

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- *Non-spendable* fund balance includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

- *Restricted* fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- *Committed* fund balances includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District’s board of education.

- *Assigned* fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Superintendent.

- *Unassigned* fund balance includes positive amounts within the general fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

8. Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. 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. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Parcel Tax restrictions will be used as allowed by the voter approved parcel tax measure.

Capital Projects restrictions will be used for the acquisition and construction of capital facilities.

Cafeteria Programs restrictions reflect the amounts to be expended for federal and state funded nutrition programs.

Educational Program restrictions reflect the amounts to be expended for federal and state funded educational programs.

Unrestricted net position reflects amounts that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year. A deficit unrestricted net position may result when significant cash balances restricted for capital projects exist. Once the projects are completed, the restriction on these assets are released and converted to capital assets.

9. Interfund Balances and Activity

In the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

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 and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

10. Operating and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are parent fees. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

11. Local Control Funding Formula and Property Taxes

The Local Control Funding Formula (LCFF) creates base, supplemental, and concentration grants in place of most previously existing K–12 funding streams, including revenue limits and most state categorical programs. The revenue limit was a combination of local property taxes, state apportionments, and other local sources.

Until full implementation, local educational agencies (LEAs) will receive roughly the same amount of funding they received in 2012–13 plus an additional amount each year to bridge the gap between current funding levels and LCFF target levels. The budget projects the time frame for full implementation of the LCFF to be eight years.

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local revenue limit sources by the District.

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

The District's Base Local Control Funding Formula Revenue is the amount of general-purpose tax revenue, per average daily attendance (ADA), that the District is entitled to by law. This amount is multiplied by the second period ADA to derive the District's total entitlement.

12. Risk Management

The District's risk management activities are recorded in the General Fund. Employee life, health, and disability programs are administered by the General Fund through the purchase of commercial insurance and participation in a public entity risk pool. The District participates in the San Mateo County Schools Insurance Group public entity risk pool (JPA). Refer to Note 10 for additional information regarding the JPA. Excess property and liability coverage is obtained through SELF. Coverage provided by San Mateo-County Schools Insurance Group for property and liability workers' compensation is as follows:

Workers' compensation	State of California Statutory Limits
Property	$250,000 - $1,000,000,000 per occurrence
Liability	$250,000 - $25,000,000 per occurrence

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.

13. Accounting Estimates

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

14. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the date of the financial statements through the date the financial statements were issued and noted the following items requiring additional disclosure:

- The District closed escrow on a $30.1 million purchase of real property located at 1050 Shell Boulevard, Foster City, CA 94404 on July 22, 2019.
- In a regular meeting held on June 6, 2019, the District's board passed resolution 38/18-19 which designated the District as the Super USDA Foods Cooperative Lead Agency commencing in fiscal year 2019-2020. The USDA Foods Program functions to support domestic nutrition programs and American agricultural producers though purchases of domestic agricultural products for use in schools and provides approximately 20% of the food served in the National School Lunch Program. The Super Co-Op is governed by a ten-member committee where each member represents members from each of the nine regional groups and one representative from the Lead Agency. The Super Co-Op has 251 member districts across California for the 2019-2020 school year and the estimated total lunches served for the Super Co-Op for the 2019-2020 school year is 235,991,301, for a total entitlement of $79,057,086 The operations of this program will be accounted for in fund 63, which is an enterprise fund, under a separate resource code from the District's 2019-20 operations.

J. Implemented New Accounting Pronouncements

GASB 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. As of June 30, 2019, this Statement did not have an impact on the District's financial statements.

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements

This Statement addresses additional information to be disclosed in the notes to the financial statements regarding debt, 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. As of June 30, 2019, this Statement did not have a significant impact on the District's financial statements.

K. Upcoming Accounting and Reporting Changes

GASB 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 financial statements for periods beginning after December 15, 2018. Earlier application is encouraged. The District doesn't believe this statement will have a significant impact on the District's financial statements.

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 financial statements for periods beginning after December 15, 2019. Earlier application is encouraged. The District doesn't believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of the Construction Period

This Statement addresses interest costs 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. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019. Earlier application is encouraged. The

District doesn't believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 90, Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61

The 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. This Statement also requires that a component unit in which a government has 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. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The District doesn't believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 91, Conduit Debt Obligations

The 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 also clarifies 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 commitment and voluntary commitments extended by issuers and arrangements associated with the debt obligations; and improving required note disclosures. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2020. Earlier application is encouraged. The District doesn't believe this statement will have a significant impact on the District's financial statements.

NOTE 2 - CASH AND INVESTMENTS

The following summarizes cash and investments as of June 30, 2019:

Description	Carrying Amount	Fair Value	Investment Rating
Governmental Activities:			
Cash in county treasury investment pool	$ 194,544,681	$ 195,050,497	AA
Cash in revolving fund	35,000	35,000	Not Rated
Cash on hand and in banks	1,745,876	1,745,876	Not Rated
Cash with fiscal agent	208,336	208,878	AA
Total Cash Deposits	196,533,893	197,040,251	
Investments:			
California Local Agency Investment Fund	1,318	1,320	N/A
Total Governmental Cash and Investments	196,535,211	197,041,571	
Business-Type Activities:			
Cash in county treasury investment pool	8,276,743	8,298,263	AA
Cash in revolving fund	10,000	10,000	Not Rated
Cash on hand and in banks	459,622	459,622	Not Rated
Total Business-Type Cash and Investments	8,746,365	8,767,885	
Total Government-Wide Cash and Investments	$ 205,281,576	$ 205,809,456	
Fiduciary Activities:			
Cash in county treasury investment pool	$ 161,212	$ 161,631	Not Rated

Cash in banks and revolving funds

Cash balances in banks and revolving funds are insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC"). These accounts are held within various financial institutions. As of June 30, 2019, the bank balance of the District's accounts with banks was $2,272,416, which exceeded FDIC limits by $1,999,275.

Cash in County Treasury

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

Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

The District has the following recurring fair value measurements as of June 30, 2019:

- Investments in the San Mateo 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.

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.

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

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 the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District keeps cash in the San Mateo County Investment Pool which had a fair value of approximately $222.5 million and an amortized book value of $221.9 million.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the San Mateo County Investment Pool is governed by the County's general investment policy. The investment with the San Mateo County Investment Pool is rated at least AA by Moody's Investor Service.

Custodial Credit Risk – Deposits

Custodial credit risk 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 agencies. 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.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2019:

	Governmental Activities				
Receivables	General Fund	Building Fund	Bond Interest & Redemption Fund	Other Nonmajor Funds	Total
Federal Government	$ 2,430,134	$ -	$ -	$ 388,139	$ 2,818,273
State Government	1,704,440	-	-	30,993	1,735,433
Other Local Resources	1,134,614	397,319	-	-	1,531,933
All Other Resources	967,886	86,696	106,874	170,537	1,331,993
Total Accounts Receivable	$ 6,237,074	$ 484,015	$ 106,874	$ 589,669	$ 7,417,632

NOTE 4 - INTERFUND TRANSACTIONS

Interfund transactions are reported as loans, services provided reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund Receivables/Payables (Due From/Due To)

As of June 30, 2019, the District interfund payables and receivables consisted of the following:

Fund	Due From	Due To
General Fund	$ 263,883	$ 7,301,439
Building Fund	44,567	63,446
The Children's Annex Fund	-	12,174
Fee Based Preschool Fund	5,472	58,404
Nonmajor Governmental Funds	7,320,833	199,292
Totals	$ 7,634,755	$ 7,634,755

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenues to funds through which the resources are to be expended. As of June 30, 2019, the District interfund transfers consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	$ 750,000	$ 7,285,191
The Children's Annex Fund	-	500,000
Fee Based Preschool Fund	-	250,000
Nonmajor Governmental Funds	7,285,191	-
Totals	$ 8,035,191	$ 8,035,191

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION

The following summarizes the changes in capital assets for the year ended June 30, 2019:

Capital Assets	Balance July 01, 2018	Additions	Deletions	Balance June 30, 2019
Land - not depreciable	$ 11,996,895	$ -	$ (1,727,435)	$ 10,269,460
Work-in-progress - not depreciable	43,113,862	42,039,431	(26,272,100)	58,881,193
Site improvements	19,725,017	14,034,547	-	33,759,564
Buildings and improvements	272,124,297	7,811,038	-	279,935,335
Furniture and equipment	10,999,016	4,998,348	-	15,997,364
Total capital assets	357,959,087	68,883,364	(27,999,535)	398,842,916
Less accumulated depreciation for:				
Site improvements	12,952,451	1,972,927	-	14,925,378
Buildings and improvements	95,664,427	7,059,956	-	102,724,383
Furniture and equipment	6,171,651	1,578,135	-	7,749,786
Total accumulated depreciation	114,788,529	10,611,018	-	125,399,547
Total capital assets - net depreciation	$ 243,170,558	$ 58,272,346	$ (27,999,535)	$ 273,443,369

During the year, the District reclassified $1,727,435 from land to work-in-progress based on updated asset reconciliations.

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 8,436,662
Home-to-school transportation	164,584
Food services	33,451
All other general administration	784,829
Plant services	1,191,492
Total depreciation expense	$ 10,611,018

NOTE 6 - SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES

The following is a summary of the changes in long-term debt for the year ended June 30, 2019:

Long-Term Liabilities	Balance July 01, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Bonds	$ 335,509,439	$ 6,149,827	$ 13,854,165	$ 327,805,101	$ 12,983,081
Net OPEB liability	68,903,581	12,759,551	6,476,339	75,186,793	-
Compensated Absences	454,694	228,646	137,386	545,954	136,489
Net Pension Liabilities	132,138,985	64,169,562	47,549,989	148,758,558	-
Total Long-Term Liabilities	$ 537,006,699	$ 83,307,586	$ 68,017,879	$ 552,296,406	$ 13,119,570

Payments on bonds are made by the Bond Interest and Redemption Fund from local revenues. The accrued vacation, pension liabilities, and other postemployment benefits will be paid by the fund for which the employee worked.

NOTE 7 - BONDS

Revenue Bonds, Series 2005

On October 13, 2005, San Mateo-Foster City School Facilities Financing Authority (the Authority) issued $79,975,000 of revenue bonds. These were issued to generate over $3 million in savings to taxpayers by refunding the District's old bonds and to finance facilities to be acquired and/or constructed. This was partially refunded by the 2014 and 2015 General Obligation Refunding bonds during the 14/15 fiscal year.

General Obligation Bonds, Election 2008, Series A

In February 2010, the District issued $54,999,413 of general obligation bonds, Election of 2008, Series A. The bonds were authorized at an election of the registered voters of the District held on February 5, 2008, which authorized the issuance of $175,000,000 principal amount of general obligation bonds for the purpose of financing the renovation and modernization of school facilities. The Bonds are the first series of bonds to be issued under this authorization.

General Obligation Bonds, Election 2008, Series Q

In July 2010, the District issued $25,000,000 General Obligation Bonds, Election of 2008, Series Q, under the Federal Taxable Direct-Pay Qualified School Construction Bonds (QSCB) pursuant to a resolution adopted by the Board on June 17, 2011. The Bonds were authorized at an election of the registered voters of the District held on February 5, 2008, which authorized the issuance of $175,000,000 principal amount of general obligation bonds for the purpose of financing the renovation and modernization of school facilities. This issue of the Bonds is the second series of bonds to be issued under this authorization. The issuance will save approximately $12.9 million to the District's taxpayers in property tax levy.

2012 General Obligation Refunding Bonds

On June 5, 2012, the District issued the 2012 General Obligation Refunding Bonds to refund a portion of the outstanding principal amount of its 2003 General Obligation Refunding Bonds, maturing on September 1 in the years 2013 through and including the year 2020, in the aggregate principal amount of $15,180,000. The proceeds of the 2012 General Obligation Refunding Bonds received on the Closing Date, $15,536,459 was deposited in a refunding escrow fund. This was sufficient to pay the principal of and interest on the 2003 General Obligation Refunding Bonds refunded on September 1, 2012.

General Obligation Bonds, Election 2008, Series C

In November 2012, the District issued $35,000,000 of general obligation bonds, Election of 2008, Series C. The Bonds were authorized at an election of the registered voters of the District held on February 5, 2008, which authorized the issuance of $175,000,000 principal amount of general obligation bonds for the purpose of financing the renovation and modernization of school facilities. This issue of the Bonds is the third series of bonds to be issued under this authorization.

2014 General Obligation Refunding Bonds

In August 2014, the District issued $2,080,000 of general obligation refunding bonds for the purpose of partially refunding the Revenue Bonds, Series 2005.

2015 General Obligation Refunding Bonds

In May 2015, the District issued $27,875,000 of general obligation refunding bonds for the purpose of partially refunding the Revenue Bonds, Series 2005.

General Obligation Bonds, Election 2008, Series D

In October 2015, the District issued $60,000,000 of general obligation bonds, Election of 2008, Series D. The Bonds were authorized at an election of the registered voters of the District held on February 5, 2008, which authorized the issuance of $175,000,000 principal amount of general obligation bonds for the purpose to acquire, repair and construct certain equipment, sites and facilities of the District and to pay the costs associated with the issuance of the Bonds. This issue of the Bonds is the fourth series of bonds to be issued under this authorization.

General Obligation Bonds, Election 2015, Series A

In March 2016, the District issued $74,000,000 of general obligation bonds, Election of 2015, Series A. The Bonds were authorized at an election of the registered voters of the District held on November 3, 2015, which authorized the issuance of $148,000,000 principal amount of general obligation bonds for the purpose to acquire, repair and construct certain equipment, sites and facilities of the District and to pay the costs associated with the issuance of the Bonds. This issue of the Bonds is the first series of bonds to be issued under this authorization.

The following schedule summarizes the District's outstanding Bonds as of June 30, 2019:

Description	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2018	Issued	Redeemed	Bonds Outstanding June 30, 2019
Principle Bonds:							
Revenue Bond, Series 2005	8/15/2023	3.0-5.5%	$ 79,975,000	14,122,836	$ -	$ 4,877,133	$ 9,245,703
GO Bonds 2008, Series A	8/1/2042	2.95-6.625%	54,999,413	54,880,108	-	75,893	54,804,215
GO Bonds 2008, Series Q	8/1/2026	6%	25,000,000	24,485,000	-	395,000	24,090,000
2012 GO Refunding Bonds	9/1/2020	2.0-5.0%	14,700,000	6,040,000	-	1,885,000	4,155,000
GO Bonds 2008, Series C	8/1/2039	2.0-5.0%	35,000,000	25,910,000	-	1,840,000	24,070,000
2014 GO Refunding Bonds	8/1/2026	5%	2,080,000	2,080,000	-	-	2,080,000
2015 GO Refunding Bonds	8/1/2023	3.0-5.0%	27,875,000	27,470,000	-	-	27,470,000
GO Bonds 2008, Series D	8/1/2044	2.0-5.0%	60,000,000	59,700,000	-	340,000	59,360,000
GO Bonds 2015, Series A	8/1/2045	2.0-5.0%	74,000,000	69,705,000	-	3,055,000	66,650,000
Subtotal General Obligation Bonds			373,629,413	284,392,944	-	12,468,026	271,924,918
Accreted Interest:							
GO Bonds 2008, Series A			-	36,842,257	6,149,827	124,830	42,867,254
Unamortized Bond Premium			21,518,897	14,274,238	-	1,261,309	13,012,929
Total Bond Related Debt			$ 395,148,310	$ 335,509,439	$ 6,149,827	$ 13,854,165	$ 327,805,101

The following is a summary of the District's annual debt service requirements as of June 30, 2019:

Year Ending June 30	Principal	Interest	Total
2020	$ 12,983,081	$ 9,419,946	$ 22,403,027
2021	11,593,474	8,901,141	20,494,615
2022	12,852,733	8,329,569	21,182,302
2023	14,103,718	7,780,790	21,884,508
2024	15,393,600	8,004,428	23,398,028
2025-2029	30,570,957	59,105,194	89,676,151
2030-2034	21,487,980	82,239,202	103,727,182
2035-2039	39,911,989	87,834,957	127,746,946
2040-2044	84,477,386	64,937,802	149,415,188
2045-2048	28,550,000	857,600	29,407,600
Total Debt Service	$ 271,924,918	$ 337,410,629	$ 609,335,547

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS

A. California Public Employees Retirement System (CalPERS/PERS) Pension Plan

General Information about the PERS Pension Plan

Plan Description - All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (the Plan), a cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides 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 credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

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

	CalPERS	
	Classic	PEPRA
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age: minimum	50	52
Monthly benefits as a % of eligible compensation	(1)	(1)
Required employee contribution rates	7.000%	7.000%
Required employer contribution rates	18.062%	18.062%

(1) Monthly benefit is a product of benefit factor, years of service, and final compensation

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For fiscal year ending June 30, 2019, the State enacted Senate Bill No. 90 which appropriated funding to the Public Employees' Retirement Fund on behalf of the District.

For the year ended June 30, 2019, the District's contributions were as follows:

	CalPERS
Employer Contributions	$ 3,901,937
State Contributions	1,428,953
Total	$ 5,330,890

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

As of June 30, 2019, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability/(Asset)
CalPERS	$ 42,146,438

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

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

	CalPERS
Proportion - June 30, 2018	0.15451%
Proportion - June 30, 2019	0.15807%
Change - Increase/(Decrease)	0.00356%

For the year ended June 30, 2019, the District recognized pension expense of $8,147,099 for the Plan.

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

	CalPERS	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Changes of Assumptions	$ 4,208,136	$ -
Differences between Expected and Actual Experience	2,762,966	-
Differences between Projected and Actual Investment Earnings	345,695	-
Differences between Employer's Contributions and Proportionate Share of Contributions	64,324	13,853
Change in Employer's Proportion	672,950	508,490
Pension Contributions Made Subsequent to Measurement Date	3,901,937	-
Total	$ 11,956,008	$ 522,343

The District reported $3,901,937 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2020	$ 4,453,610
2021	3,189,994
2022	136,891
2023	(248,766)
Total	$ 7,531,729

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

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.15% (2)
Mortality	(3)

(1) Varies by age and service
(2) Net of pension plan investment expenses, including inflation
(3) Derived using CalPERS' membership data for all funds

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2018 based on June 30, 2017 Valuations,* that can be obtained from the CalPERS website.

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

In the December 2016 and April 2017 meetings, the Board voted to lower the funding discount rates used for the PERF. In making its decision, the Board reviewed recommendations from CalPERS team members, external pension and investment consultants, and input from employer and employee stakeholder groups. A lowered funding discount rate for the PERF will be phased in over a three-year period beginning July 1, 2018 for public agencies and school districts. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short- term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (60 years) using a building-block approach. Using the expected nominal returns for both short-term and long- term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	CalPERS
1% Decrease	6.15%
Net Pension Liability	$ 61,363,199
Current	7.15%
Net Pension Liability	$ 42,146,438
1% Increase	8.15%
Net Pension Liability	$ 26,203,385

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

B. California State Teachers' Retirement System (STRS) Pension Plan

General Information about the STRS Pension Plan

Plan Description - The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information.

Benefits Provided - STRS provides 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 credited service, equal to one year of full-time employment. The cost of living adjustments for the Plan are applied as specified by the retirement Law.

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

	CalSTRS	
	Tier 1	Tier 2
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	60	62
Monthly benefits as a % of eligible compensation	2%	2%
Required employee contribution rates	10.250%	10.205%
Required employer contribution rates	16.280%	16.280%
Required State contribution rates	9.828%	9.828%

Contributions - As part of the annual valuation process, the Normal Cost rate is determined as the basis for setting the base member contribution rate for the following fiscal year. Generally, the base member contribution rate is one-half of the Normal Cost rate within certain parameters. Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2019, the District's contributions were as follows:

	CalSTRS
Employer Contributions	$ 9,728,645
State Contributions	9,720,649
Total	$ 19,449,294

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

As of June 30, 2019, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability/(Asset)
District	$ 106,612,120
State	61,040,769
Total	$ 167,652,889

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The state contributed 9.124 percent of the members' creditable earnings from the fiscal year ending in the prior calendar year plus an additional $4,093,338 as required by SB90. Also, as a result of AB 1469, the additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specific in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-2046.

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

	CalSTRS
Proportion - June 30, 2018	0.10300%
Proportion - June 30, 2019	0.11600%
Change - Increase/(Decrease)	0.01300%

For the year ended June 30, 2019, the District recognized pension expense of $26,577,703.

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

	CalSTRS	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Changes of Assumptions	$ 16,562,480	$ -
Differences between Expected and Actual Experience	330,600	1,548,600
Differences between Projected and Actual Investment Earnings	-	4,105,240
Differences between Employer's Contributions and Proportionate Share of Contributions	52,831	237,713
Change in Employer's Proportion	10,372,350	2,606,046
Pension Contributions Made Subsequent to Measurement Date	9,728,645	-
Total	$ 37,046,906	$ 8,497,599

The District reported $9,728,645 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	**Deferred Outflows/ (Inflows) of Resources** **CalSTRS**
2020	$ 5,259,564
2021	3,721,404
2022	923,484
2023	3,147,187
2024	4,356,253
Thereafter	1,412,770
Total	$ 18,820,662

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

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.10%
Inflation	2.75%
Wage Growth	3.50%
Postretirement Benefit Increases	(1)
Investment Rate of Return	7.10% (2)
Mortality	(3)

(1) 2% simple for DB (annually)
Maintain 85% purchasing power level for DB
Not applicable for DBS/CBB
(2) Net of investment expense but gross of administrative expenses.
(3) Based on 110% of the MP-2016 Ultimate Projection Scale table issued by the Society of Actuaries.

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 that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability. The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return [1]
Global Equity	47.00%	6.30%
Fixed Income	12.00%	0.30%
Real Estate	13.00%	5.20%
Private Equity	13.00%	9.30%
Risk Mitigating Strategies	9.00%	2.90%
Inflation Sensitive	4.00%	3.80%
Cash/Liquidity	2.00%	-1.00%
Total	100.00%	

[1] 20 year average

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	CalSTRS
1% Decrease	6.10%
Net Pension Liability	$ 156,174,280
Current	7.10%
Net Pension Liability	$ 106,612,120
1% Increase	8.10%
Net Pension Liability	$ 65,520,280

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued STRS financial reports.

C. Postemployment Benefits Other Than Pension Benefits

Plan Description.

The District administers a single employer defined benefit healthcare plan. It provides lifetime postemployment health care benefits, in accordance with District's employment contracts, to most employees who retire from the District. Managers, who retire from the District, are eligible for full lifetime medical, vision, and dental premiums for the employee only. There is a cap on SMETA and CSEA payments up to the age of 65 and after the age of 65.

Benefits

Certificated employees who retire after age 50 with at least 5 years of service will be paid the PEMHCA minimum benefit for as long as the retiree lives. This amount, per month, at the time that the employee retires, remain unchanged for life. Before age 65, the PEMHCA minimum benefit is paid whether the retired employee is enrolled in a PERS medical plan or not. After age 65, the PEMHCA minimum benefit is only paid if the retired employee is enrolled in a PERS medical plan. Whether or not the retiree is enrolled under dental and/or vision benefits does not affect the amount that the District pays each month.

Classified employees who retire after age 50, with at least 5 years of service, will be paid the PEMHCA minimum benefit for as long as the retiree lives. This amount will increase each year in the future to align with the PEMHCA minimum benefit. The PEMHCA minimums are only paid if the retired employee is enrolled under a CalPERS or District medical plan. Whether or not the retiree is enrolled under dental and/or vision benefits does not affect the amount that the District pays each month.

Management and confidential employees who retire after age 50 with at least 5 years of service will be paid the PEMHCA minimum benefit for as long as the retiree lives. This amount will increase each year in the future. The PEMHCA minimums are only paid if the retiree is enrolled under a CalPERS medical plan.

Employees Covered by Benefit Terms

At June 30, 2018 (the valuation date), the benefit terms covered the following employees:

Active employees	1,181
Inactive employees	672
Total employees	1,853

Contributions

The District makes contributions based on an actuarially determined rate and are approved by the authority of the District's Board. Total contributions to the OPEB plan during the year were $1,987,250. Total benefit payments included in the measurement period were $1,991,208. The actuarially determined contribution for the measurement period was $9,171,667. The District's contributions were 2.5% of payroll during the measurement period June 30, 2019. Employees are not required to contribute to the plan. There have been no assets accumulated in a trust to provide for the benefits of this plan.

Actuarial Assumptions

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	June 30, 2017
Measurement Date:	June 30, 2018
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	20 years
Actuarial Assumptions:	
Discount Rate	2.98%
Inflation	2.75%
Payroll Increases	3.00%
Municipal Bond Rate	2.98%
Mortality	2014 CalPERS OPEB Assumptions Model for classified and confidental employees, and 2016 valuation of CalSTRS for certificated and management employees.
Retirement	2014 CalPERS OPEB Assumptions Model for classified and confidental employees, and 2016 valuation of CalSTRS for certificated and management employees.

Discount Rate

Since the benefits are not funded, the discount rate is equal to the Bond Buyer 20-Year Bond Index, which was 2.98%.

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2018 (measurement date) and was determined by an actuarial valuation as of June 30, 2018 (valuation date) for the fiscal year ended June 30, 2019 (reporting date).

Changes in the Total OPEB Liability

The following summarizes the changes in the net OPEB liability during the year ended June 30, 2019:

Fiscal Year Ended June 30, 2019	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30,2018	$ 68,903,581	$ -	$ 68,903,581
Service cost	4,146,975	-	4,146,975
Interest in Total OPEB Liability	2,128,176	-	2,128,176
Changes in assumptions	1,829,514	-	1,829,514
Benefit payments	(1,821,453)	-	(1,821,453)
Net changes	6,283,212	-	6,283,212
Balance at June 30, 2019	$ 75,186,793	$ -	$ 75,186,793

Covered Employee Payroll	$ 76,838,603
Total OPEB Liability as a % of Covered Employee Payroll	97.85%
Service Cost as a % of Covered Employee Payroll	5.40%
Net OPEB Liability as a % of Covered Employee Payroll	97.85%

The District’s plan is nonfunded, meaning there have not been assets placed into an irrevocable trust, therefore the plan fiduciary net position is zero.

Deferred Inflows and Outflows of Resources

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
Change in assumptions	$ -	$ 2,520,289
OPEB contribution subsequent to measurement date	1,968,800	-
Totals	$ 1,968,800	$ 2,520,289

Of the total amount reported as deferred outflows of resources related to OPEB, $1,968,800 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ending June 30, 2020.

Other 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,		
2020	$	(244,230)
2021		(244,230)
2022		(244,230)
2023		(244,230)
2024		(244,228)
Thereafter		(1,299,141)
Total	$	(2,520,289)

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2019:

Service cost	$ 4,146,975
Interest in TOL	2,128,176
Change in assumptions	(244,230)
OPEB Expense	**$ 6,030,921**

The following summarizes changes in the total OPEB liability as reconciled to OPEB expense during the year ended June 30, 2019:

Total OPEB liability ending	$ 75,186,793
Total OPEB liability begining	(68,903,581)
Change in total OPEB liability	6,283,212
Changes in deferred outflows	(165,796)
Changes in deferred inflows	(2,073,745)
Employer contributions and implicit subsidy	1,987,250
OPEB Expense	**$ 6,030,921**

Sensitivity to Changes in the Discount Rate

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 percentage point lower or one percentage point higher, is as follows:

	Municipal Bond Rate		
	(1% Decrease)	2.75%	(1% Increase)
Total OPEB Liability	$ 89,338,197	$ 75,186,793	$ 64,159,448

Sensitivity to Changes in the Healthcare Cost Trend Rates

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 percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	(1% Decrease)	Current	(1% Increase)
Total OPEB Liability	$ 66,399,639	$ 75,186,793	$ 86,367,045

NOTE 9 - JOINT VENTURES (JOINT POWERS AGREEMENTS)

The District is a member of the San Mateo County Schools’ Insurance Group (SMCSIG), joint powers authority (JPA). The District pays an annual premium to the entity for its health, workers’ compensation, and property liability coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

This entity has budgeting and financial reporting requirements independent of member units and its financial statements are not presented in these financial statements; however, fund transactions between the entity and the District are included in these statements. Audited financial statements are available from the entity.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

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

Litigation

The District may be exposed to various claims and litigation. Management believes, based on consultation with legal counsel, that the ultimate resolution of these matters will not have a material adverse effect on the District’s financial position or results of operations.

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REQUIRED SUPPLEMENTARY INFORMATION

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual (GAAP Basis)	Positive - (Negative)
Revenues:				
LCFF sources	$ 107,720,856	$ 111,618,820	$ 112,392,207	$ 773,387
Federal revenues	4,246,312	4,556,736	3,917,584	(639,152)
Other state	12,026,883	11,310,261	17,886,514	6,576,253
Other local	7,836,066	11,281,561	11,274,490	(7,071)
Total revenues	131,830,117	138,767,378	145,470,795	6,703,417
Expenditures:				
Certificated salaries	61,949,676	61,964,925	60,866,387	1,098,538
Classified salaries	15,875,087	16,098,767	15,860,051	238,716
Employee benefits	30,707,787	31,304,351	35,917,869	(4,613,518)
Books and supplies	3,106,763	5,173,751	3,280,646	1,893,105
Services and other operating expenditures	25,624,402	28,063,676	22,703,269	5,360,407
Capital outlay	1,566,000	782,791	740,841	41,950
Other outgo	1,148,329	1,002,853	802,294	200,559
Total expenditures	139,978,044	144,391,114	140,171,357	4,219,757
Excess (deficiency) of revenues over (under) expenditures	(8,147,927)	(5,623,736)	5,299,438	10,923,174
Other financing sources (uses):				
Transfers in	750,000	750,000	750,000	-
Transfers out	(32,450)	(7,211,759)	(7,285,191)	(73,432)
Total other financing sources (uses)	717,550	(6,461,759)	(6,535,191)	(73,432)
Change in fund balance	$ (7,430,377)	$ (12,085,495)	(1,235,753)	$ 10,849,742
Fund balance beginning			73,491,976	
Fund balance ending			$ 72,256,223	

The budgetary control level is by object on the modified accrual basis per U.S. GAAP. Expenditures cannot legally exceed appropriations by major object. The benefits in excess of budget were from SB90 on-behalf payments offset by revenue.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF CALPERS PENSION PLAN CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CalPERS	**2015**	**2016**	**2017**	**2018**	**2019**
Contractually Required Contributions	$ 2,120,002	$ 2,283,587	$ 2,738,437	$ 3,359,129	$ 3,901,937
Contributions in Relation to Contractually Required Contributions	2,120,002	2,283,587	2,738,437	3,359,129	3,901,937
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	**$ 18,010,381**	**$ 19,275,656**	**$ 19,718,008**	**$ 21,628,543**	**$ 21,603,017**
Contributions as a % of Covered Payroll	**11.77%**	**11.85%**	**13.89%**	**15.53%**	**18.06%**

Notes to Schedule:

Valuation Date: June 30, 2017

Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
4 Years Remaining Amortization Period
Inflation Assumed at 2.5%
Investment Rate of Returns set at 7.15%
CalPERS mortality table based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only five years are shown.
The CalPERS discount rate was increased from 7.5% to 7.65% in the District's fiscal year 2016 and then decreased from 7.65% to 7.15% in the District's fiscal year 2018.
The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019.
The CalPERS mortality assumptions was adjusted in the District's fiscal year 2019.

This schedule provides information about the District’s required and actual contributions to CalPERS during the year.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF CALPERS PROPORTIONATE SHARE
OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CalPERS	**2015**	**2016**	**2017**	**2018**	**2019**
District's Proportion of Net Pension Liability	0.15810%	0.15600%	0.15719%	0.15451%	0.15807%
District's Proportionate Share of Net Pension Liability	$ 17,948,200	$ 22,994,554	$ 31,045,565	$ 36,885,615	$ 42,146,438
District's Covered Payroll	$ 16,593,087	$ 18,010,381	$ 19,275,656	$ 19,718,008	$ 21,628,543
District's Proportionate Share of NPL as a % of Covered Payroll	**108.17%**	**127.67%**	**161.06%**	**187.07%**	**194.86%**
Plan's Fiduciary Net Position as a % of the TPL	**83.38%**	**79.43%**	**73.90%**	**71.87%**	**70.85%**

Fiscal year 2015 was the first year of implementation, therefore only five years are shown.
The CalPERS discount rate was increased from 7.5% to 7.65% in the District's fiscal year 2016 and then decreased from 7.65% to 7.15% in the District's fiscal year 2018.
The CalPERS inflation assumption was decreased from 2.75% to 2.50% during the District's fiscal year 2019.
The CalPERS mortality assumptions was adjusted in the District's fiscal year 2019.

This schedule presents information on the District’s portion of the net pension liability of CalPERS in compliance with GASB 68.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF CALSTRS PENSION PLAN CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CalSTRS	2015	2016	2017	2018	2019
Contractually Required Contributions	$ 4,510,050	$ 5,718,444	$ 6,866,436	$ 8,612,908	$ 9,728,645
Contributions in Relation to Contractually Required Contributions	4,510,050	5,718,444	6,866,436	8,612,908	9,728,645
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	**$ 50,788,851**	**$ 53,293,979**	**$ 54,582,162**	**$ 59,687,512**	**$ 59,758,262**
Contributions as a % of Covered Payroll	**8.88%**	**10.73%**	**12.58%**	**14.43%**	**16.28%**

Notes to Schedule:

Valuation Date: June 30, 2017

Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll Basis
7 Years Remaining Amortization Period
Inflation Assumed at 2.75%
Investment Rate of Returns set at 7.10%
Mortality tables are based on 110% of the MP-2016 Ultimate Projection Scale table issued by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only five years are shown.
The CalSTRS discount rate was decreased from 7.6% to 7.1% in the District's fiscal year 2017.
The CalSTRS investment rate of return was decreased from 7.6% to 7.1% during the District's fiscal year 2017.
The CalSTRS inflation rate was decreased from 3% to 2.75% during the District's fiscal year 2017.
The CalSTRS wage growth was decreased from 3.75% to 3.5% during the District's fiscal year 2017.

This schedule provides information about the District’s required and actual contributions to CalSTRS during the year.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF CALSTRS PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CalSTRS	2015	2016	2017	2018	2019
District's Proportion of Net Pension Liability	0.10300%	0.10800%	0.10783%	0.10300%	0.11600%
District's Proportionate Share of Net Pension Liability	$ 60,190,110	$ 72,709,920	$ 87,215,910	$ 95,253,370	$ 106,612,120
State's Proportionate Share of Net Pension Liability Associated with the District	36,345,196	38,455,550	49,650,273	56,350,941	61,040,769
Total	$ 96,535,306	$ 111,165,470	$ 136,866,183	$ 151,604,311	$ 167,652,889
District's Covered Payroll	$ 45,986,752	$ 50,788,851	$ 53,293,979	$ 54,582,162	$ 59,687,512
District's Proportionate Share of NPL as a % of Covered Payroll	**130.89%**	**143.16%**	**163.65%**	**174.51%**	**178.62%**
Plan's Fiduciary Net Position as a % of the TPL	**76.52%**	**74.02%**	**70.04%**	**69.46%**	**70.99%**

Fiscal year 2015 was the first year of implementation, therefore only five years are shown.
The CalSTRS discount rate was decreased from 7.6% to 7.1% in the District's fiscal year 2017.
The CalSTRS investment rate of return was decreased from 7.6% to 7.1% during the District's fiscal year 2017.
The CalSTRS inflation rate was decreased from 3% to 2.75% during the District's fiscal year 2017.
The CalSTRS wage growth was decreased from 3.75% to 3.5% during the District's fiscal year 2017.

This schedule presents information on the District’s portion of the net pension liability of CalSTRS in compliance with GASB 68.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN
TOTAL OPEB LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Fiscal Year Ended	**2018**	**2019**
Total OPEB liability		
Service cost	$ 4,484,420	$ 4,146,975
Interest	1,857,366	2,128,176
Changes of assumptions	(4,980,087)	1,829,514
Benefit payments	(1,991,208)	(1,821,453)
Net change in Total OPEB Liability	(629,509)	6,283,212
Total OPEB Liability - beginning	69,533,090	68,903,581
Total OPEB Liability - ending	$ 68,903,581	$ 75,186,793
Plan fiduciary net position		
Net change in plan fiduciary net position	$ -	$ -
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending	$ -	$ -
Net OPEB liability (asset)	$ 68,903,581	75,186,793
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered Employee Payroll	$ 70,004,222	$ 74,600,585
Net OPEB liability as a percentage of covered employee payroll	98.43%	100.79%
Total OPEB liability as a percentage of covered employee payroll	98.43%	100.79%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

No change in benefit terms; discount rates decreased from 3.13% to 2.98%.

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

NOTE 1 - 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. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budget for the General Fund is presented as Required Supplementary Information. The basis of budgeting is the same as GAAP and there were not expenditures in excess of appropriations during the year.

NOTE 2 - SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

These schedules present information on the District's portion of the Net Pension Liability of CalSTRS and the Net Pension Liability of CalPERS in compliance with GASB 68.

NOTE 3 - SCHEDULES OF THE DISTRICT'S CONTRIBUTIONS

These schedules provide information about the District's required and actual contributions to CalSTRS and CalPERS during the year.

NOTE 4 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

This schedule presents information on the District's changes in total OPEB liability in compliance with GASB 75.

SUPPLEMENTARY INFORMATION

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds		Capital Projects Funds			
	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Governmental Funds
Assets						
Cash and investments	$ 411,729	$ 2,117,242	$ 5,303,017	$ 24,714	$ 10,421,561	$ 18,278,263
Accounts receivable	48,152	378,853	100,031	147	62,486	589,669
Due from other funds	764,745	11,806	-	-	6,544,282	7,320,833
Other assets	-	67,038	-	-	-	67,038
Total Assets	$ 1,224,626	$ 2,574,939	$ 5,403,048	$ 24,861	$ 17,028,329	$ 26,255,803
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	26,391	$ 5,716	$ 1,616	$ -	$ 99,853	$ 133,576
Due to other funds	77,464	121,828	-	-	-	199,292
Unearned revenue	3,341	181,763	-	-	-	185,104
Total Liabilities	107,196	309,307	1,616	-	99,853	517,972
Fund balances:						
Nonspendable:						
Inventory	-	60,786	-	-	-	60,786
Prepaid expenses	-	6,252	-	-	-	6,252
Restricted for:						
Cafeteria programs	-	1,466,056	-	-	-	1,466,056
Capital projects	-	-	3,300,000	-	16,537,370	19,837,370
Legally restricted balances	814,088	-	-	-	-	814,088
Assigned for:						
Capital projects	-	-	2,101,432	24,861	391,106	2,517,399
Cafeteria programs	-	732,538	-	-	-	732,538
Educational programs	303,342	-	-	-	-	303,342
Total Fund Balances	1,117,430	2,265,632	5,401,432	24,861	16,928,476	25,737,831
Total Liabilities and Fund Balances	$ 1,224,626	$ 2,574,939	$ 5,403,048	$ 24,861	$ 17,028,329	$ 26,255,803

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds		Capital Projects Funds			
	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Governmental Funds
Revenues:						
Federal revenue	$ 97,423	$ 2,012,257	$ -	$ -	$ -	$ 2,109,680
Other state	1,808,555	177,418	-	-	1,130,440	3,116,413
Other local	84,960	927,477	1,277,171	538	204,331	2,494,477
Total revenues	1,990,938	3,117,152	1,277,171	538	1,334,771	7,720,570
Expenditures:						
Current						
Instruction	1,502,031	-	-	-	-	1,502,031
Instruction-related services:						
School site administration	330,715	-	-	-	-	330,715
Pupil services:						
Food services	-	3,361,062	-	-	-	3,361,062
All other pupil services	679	-	-	-	-	679
General administration:						
All other general administration	75,468	120,553	-	-	-	196,021
Plant services	68,534	23,436	76,144	-	230,619	398,733
Facilities acquisition & construction	-	10,934	65,089	-	4,688	80,711
Total expenditures	1,977,427	3,515,985	141,233	-	235,307	5,869,952
Excess (deficiency) of revenues over (under) expenditures	13,511	(398,833)	1,135,938	538	1,099,464	1,850,618
Other financing sources (uses):						
Transfers in	706,950	-	-	-	6,578,241	7,285,191
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	706,950	-	-	-	6,578,241	7,285,191
Change in fund balances	720,461	(398,833)	1,135,938	538	7,677,705	9,135,809
Fund balances beginning	396,969	2,664,465	4,265,494	24,323	9,250,771	16,602,022
Fund balances ending	$ 1,117,430	$ 2,265,632	$5,401,432	$ 24,861	$ 16,928,476	$ 25,737,831

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STATE AND FEDERAL AWARD COMPLIANCE SECTION

The San Mateo-Foster City School District (the "District") was established in 1948 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 to 8 as mandated by the State and/or Federal agencies. The District operates fifteen elementary schools, three middle schools, two K-8 school and one Before and After School Children Annex.

Governing Board

Name	Office	Term Expires
Shara Watkins	President	November, 2020
Noelia Corzo	Vice President	November, 2020
Rebecca Hitchcock	Clerk	November, 2020
Audrey Ng	Trustee	November, 2019
Kenneth Chin	Trustee	November, 2019

Administration

Joan Rosas, Ed.D.
Superintendent

David Chambliss
Assistant Superintendent for Educational Services

Sarah Drinkwater
Assistant Superintendent for Student Services

Sue Wieser
Assistant Superintendent for Human Resources

Carolyn Chow
Chief Business Official

Christine Gong
Director of Fiscal Services

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Total ADA		Classroom Based	
	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA:				
Grades TK/K through three	5,325.43	5,339.98	5,325.43	5,339.98
Grades four through six	3,550.27	3,550.18	3,550.27	3,550.18
Grades seven and eight	2,367.51	2,362.41	2,367.51	2,362.41
Regular ADA Totals	11,243.21	11,252.57	11,243.21	11,252.57
Extended year Special education:				
Grades TK/K through three	2.33	2.33	2.33	2.33
Grades four through six	2.05	2.05	2.05	2.05
Grades seven and eight	1.30	1.30	1.30	1.30
Special education - nonpublic, nonsect schools:				
Grades TK/K through three	3.18	3.43	3.18	3.43
Grades four through six	8.52	8.94	8.52	8.94
Grades seven and eight	6.22	6.33	6.22	6.33
Extended year special education - nonpublic, nonsect schools:				
Grades TK/K through three	0.30	0.30	0.30	0.30
Grades four through six	0.92	0.92	0.92	0.92
Grades TK/K through three	1.07	1.07	1.07	1.07
ADA Totals	11,269.10	11,279.24	11,269.10	11,279.24

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Grade Level	Minutes Requirements	2019 Actual Minutes	(Unaudited) 2019 Original Scheduled Minutes	Number of Days Traditional Calendar	(Unaudited) Scheduled Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Kindergarten	36,000	42,960	43,140	179	180	0	In compliance (1)
Grade 1	50,400	50,307	50,608	179	180	0	In compliance (1)
Grade 2	50,400	50,307	50,608	179	180	0	In compliance (1)
Grade 3	50,400	50,307	50,608	179	180	0	In compliance (1)
Grade 4	54,000	53,752	54,072	179	180	0	In compliance (1)
Grade 5	54,000	53,752	54,072	179	180	0	In compliance (1)
Grade 6	54,000	54,011	54,236	179	180	0	In compliance (1)
Grade 7	54,000	54,011	54,236	179	180	0	In compliance (1)
Grade 8	54,000	54,011	54,236	179	180	0	In compliance (1)

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts and charter schools, including basic aid districts.

The District did not participate in incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206. The District has exceeded its target funding.

(1) The District has an approved Form J-13A, Request for Allowance of Attendance Due to Emergency Conditions, for school closure due to California wild fires. Pursuant to Education Code section 41422, 46200, 46391, 46392 and the California Code of Regulations the approved Form J-13A combined with attendance records were used to document compliance with instructional time laws.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

There were no charter schools sponsored by the District as of June 30, 2019.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	(Budget [1]) 2020	2019	2018	2017
General Fund				
Revenues and other financial sources	$ 146,189,380	$ 146,220,795	$ 135,167,922	$ 134,439,738
Expenditures	149,423,449	140,171,357	139,341,207	129,291,765
Other uses and transfers (out)	32,450	7,285,191	6,766,143	2,258,496
Total outgo	149,455,899	147,456,548	146,107,350	131,550,261
Change in fund balance	(3,266,519)	(1,235,753)	(10,939,428)	2,889,477
Prior period adjustments:				
Special Reserve Fund for Other Than Capital Outlay per GASB 54	-	-	-	314,630
Ending fund balance	$ 68,989,704	$ 72,256,223	$ 73,491,976	$ 84,431,404
Available reserves [(2)]	$ 8,862,096	$ 8,895,110	$ 10,247,881	$ 21,225,894
Reserve for economic uncertainties	$ 8,862,096	$ 8,895,110	$ 8,987,631	$ 13,032,209
Unassigned fund balance	$ -	$ -	$ 1,260,250	$ 8,193,685
Available reserves as a percentage of total outgo	5.9%	6.0%	7.0%	16.1%
Total long-term debt	$ 527,241,571	$ 540,361,141	$ 526,331,616	$ 469,713,599
Average daily attendance at P-2	11,181	11,269	11,426	11,554

Average daily attendance has decreased by 285 over the last three years. The district anticipates a decrease of 88 ADA in 2019/20.

The district has operated at a deficit in two of the past three years. Total long-term debt has increased by $70,647,542 over the past three years, due to new bond issuances and benefit plan liabilities.

The general fund's fund balance has decreased by $12,175,181 in the last three years. For a district this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, other uses (total outgo).

[1] Budget numbers are based on the first adopted budget of the fiscal year 2019/20.

[2] Available reserves consist of all unassigned fund balances in the general fund, which includes the reserve for economic uncertainties.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Program Name	Federal Catalog Number	Cluster Name	Pass Through Number	Major Program	Program Expenditures
U. S. DEPARTMENT OF EDUCATION:					
Passed through California Department of Education:					
NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	84.010		14329		$ 877,120
NCLB: Title III, Limited English Proficient (LEP) Student Program	84.365		14346		420,652
NCLB: Title II, Part A, Teacher Quality	84.367		14341		272,771
Passed through County SELPA:					
Individuals with Disabilities Education Act (IDEA):					
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	Spec Ed	13379	Yes	2,175,515
Special Ed: IDEA Preschool Grants, Part B, Sec 619	84.173	Spec Ed	13430	Yes	62,437
Special Ed: IDEA Preschool Local Entitlement, Part B, Sec 611	84.027	Spec Ed	13682	Yes	-
Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	84.173	Spec Ed	13431	Yes	487
Special Education: IDEA Local Assistance, Part B, Private School ISPs	84.027	Spec Ed	10115	Yes	64,230
Special Education Cluster					2,302,669
TOTAL U. S. DEPARTMENT OF EDUCATION:					**3,873,212**
U. S. DEPARTMENT OF AGRICULTURE:					
Passed through California Department of Education:					
Child Nutrition: School Programs (NSL Sec 11)	10.555	SchoolLnch	13396	Yes	2,012,257
TOTAL U.S. DEPARTMENT OF AGRICULTURE					**2,012,257**
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Child Dev:elopment: Federal General (CCTR) and State Preschool (CSPP)	93.596	CCDF	13609		97,423
Passed through California Department of Health Services:					
Medi-Cal Billing Option	93.778	TitleXIX:Medicaid	10013		44,370
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					**141,793**
TOTAL EXPENDITURES					**$ 6,027,262**

Note: There were no pass throughs to subrecipients during the year.

SAN MATEO-FOSTER CITY SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
TO THE AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Building Fund	Bond Interest and Redemption Fund	Other Nonmajor Governmental Funds	Retiree Benefit Funds
June 30, 2019 Annual Financial and Budget Report Fund Balances.	$ 43,875,563	$ 76,383,662	$ 20,832,234	$ 30,360,240	$ 23,758,251
Adjustments to reconcile audited financials:					
GASB 54 Fund Consolidations	28,380,660	-	-	(4,622,409)	(23,758,251)
June 30, 2019 Audited Financial Statements Fund Balances	$ 72,256,223	$ 76,383,662	$ 20,832,234	$ 25,737,831	$ -

1. PURPOSE OF SCHEDULES

A. Schedule of Average Daily Attendance

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

B. Schedule of Instructional Time

The District has not received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day and Longer Instructional Year. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

C. 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.

D. Schedule of Expenditures of Federal Awards

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with Uniform Guidance and state requirements. The District has not used the 10 percent de-minimis indirect cost rate as allowed under the Uniform Guidance

E. Schedule of Charter Schools

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

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

This schedule provides the information necessary to reconcile the fund balances of all funds as reported in the annual financial and budget report to the audited financial statements.

2. RESULTS OF RECONCILIATIONS OF EXPENDITURES PER SCHEDULE OF GRANT ACTIVITY WITH THE DISTRICT'S ACCOUNTING SYSTEMS

There were no material unreconciled differences between the District's records and the schedule of federal grant activity as shown on the Schedule of Expenditures of Federal and State Awards.

3. BASIS OF PRESENTATION – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards includes the federal grant activity of San Mateo-Foster City School 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 Regulations, 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 basic financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

OTHER INDEPENDENT AUDITOR'S REPORTS

CHAVAN & ASSOCIATES, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees
San Mateo-Foster City School District
Foster City, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Mateo-Foster City School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise San Mateo-Foster City School District's basic financial statements, and have issued our report thereon dated December 7, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Mateo-Foster City 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 San Mateo-Foster City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of San Mateo-Foster City 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 over financial reporting 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 over financial reporting 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 San Mateo-Foster City 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

1475 Saratoga Ave, Suite 180, San Jose, CA 95129
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

C & A LLP

December 10, 2019
San Jose, California

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CHAVAN & ASSOCIATES, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

Board of Education
San Mateo-Foster City School District
Foster City, California

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of San Mateo-Foster City 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 Regulations, 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 San Mateo-Foster City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, San Mateo-Foster City 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.

1475 Saratoga Ave, Suite 180, San Jose, CA 95129
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Report on Internal Control over Compliance

Management of San Mateo-Foster City 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 San Mateo-Foster City 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 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 San Mateo-Foster City 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

C & A LLP

December 10, 2019
San Jose, California

1475 Saratoga Ave, Suite 180, San Jose, CA 95129
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CHAVAN & ASSOCIATES, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON STATE PROGRAMS

Board of Education
San Mateo-Foster City School District
Foster City, California

Compliance

We have audited the San Mateo-Foster City School District (the District)'s compliance with the types of compliance requirements described in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the District's state programs identified below for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit guide, *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. 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 *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards, and state audit, guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above, that could have a material effect on compliance with the state laws and regulations described in the schedule below, occurred. An audit includes examining, on a test basis, evidence supporting the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

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

Description	Procedures Performed
Local Education Agencies Other than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No
Continuation Education	N/A
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	N/A
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Yes
After School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	N/A
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	N/A
Charter Schools:	
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study for Charter Schools	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
Charter School Facility Grant Program	N/A

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We did not perform the audit procedures for Independent Study program because the ADA was under the level that requires testing.

Opinion

In our opinion, the San Mateo-Foster City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on State Programs for the fiscal year ended June 30, 2019.

C & A LLP

December 10, 2019
San Jose, California

FINDINGS AND RECOMMENDATIONS

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	**Unmodified**
Internal control over financial reporting:	
Material weaknesses?	____ Yes **x** No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes **x** No
Non-compliance material to financial statements noted?	____ Yes **x** No

Federal Awards

Internal control over major programs:	
Material weaknesses?	____ Yes **x** No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes **x** No
Type of auditor's report issued on compliance over major programs	**Unmodified**
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	____ Yes **x** No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program
84.027/84.173	Special education cluster
10.555	Child Nutrition: School Programs (NSL Sec 11)

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

State Awards

Internal control over state programs:	
Material weaknesses?	____ Yes **x** No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes **x** No
Type of auditor's report issued on compliance over state programs:	**Unmodified**

Section II – Financial Statement Findings

No findings noted.

Section III – Federal Award Findings and Questioned Costs

No findings noted.

Section IV – State Award Findings and Questioned Costs

No findings noted.

Section I – Financial Statement Findings

No findings noted.

Section II – Federal Award Findings and Questioned Costs

No findings noted.

Section III – State Award Findings and Questioned Costs

No findings noted.

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the San Mateo-Foster City School District (the "District") in connection with the issuance of $__________ of the District's 2020 General Obligation Refunding Bonds (the "Bonds"). The Bonds are being issued pursuant to the resolution of the Board of Trustees of the District adopted on March 12, 2020 (the "Resolution"). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, 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" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of 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.

"Dissemination Agent" shall mean initially Keygent LLC, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Financial Obligation" means: (a) a debt obligation; (b) a 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 Repository consistent with the Rule.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"Official Statement" shall mean the Official Statement dated as of _______, 2020 and relating to the Bonds.

"Participating Underwriters" shall mean RBC Capital Markets LLC and LLC Stifel, Nicolaus & Company, Incorporated, as the original Underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, 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" shall mean 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" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2019-20 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 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(b).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent, no later than the date required by subsection (a). The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the 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.

2. Financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(a) average daily attendance of the District for the last completed fiscal year;

(b) The District's approved annual budget for the then-current fiscal year;

(c) Assessed value of taxable property in the District as shown on the most recent equalized assessment role;

(d) If the San Mateo County no longer includes the tax levy for payment of the Bonds in its Teeter Plan, the property tax levies, collections, and delinquencies for the District for the most recently completed fiscal year.

(e) Top ten property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable assessed value, and their percentage of total secured assessed value, if material.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository 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.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

6. unscheduled draws on the debt service reserves reflecting financial difficulties.

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed

jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

10. 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) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. optional, contingent or unscheduled bond calls.

4. unless described under Section 5(a)(5) above material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

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

7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

8. incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the District, any of which affect bondholders.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. 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(a).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. 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) or 5(b), 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 the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. 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 Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriters, the Holders and the Beneficial Owners. 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 attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: __________, 2020

SAN MATEO-FOSTER CITY SCHOOL DISTRICT

By: ____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: SAN MATEO-FOSTER CITY SCHOOL DISTRICT

Name of Bond Issue: 2020 General Obligation Refunding Bonds (Federally Taxable)

Date of Issuance: ________, 2020

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:_______________________

SAN MATEO-FOSTER CITY SCHOOL DISTRICT

By [form only; no signature required]

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APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR SAN MATEO COUNTY AND CITIES OF FOSTER CITY AND SAN MATEO

The District is located within the Cities of San Mateo ("San Mateo") and Foster City ("Foster City," and together with San Mateo, the "Cities") and San Mateo County (the "County") and San Mateo County (the "County"), is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the Cities or the County. This material has been prepared by or excerpted from the sources as noted herein and has not been independently verified by the District, the Underwriter or the Municipal Advisor.

Introduction

The City of San Mateo. Located 19 miles south of San Francisco and 30 miles north of San Jose, San Mateo is comprised of an area of 14.6 square miles. It is bordered by Burlingame to the north, Foster City to the east, the City of Belmont to the south, and the Town to the west. Incorporated in 1894, it became a charter city in 1922. With a council-manager form of government, San Mateo's five City Council members are elected at large to four-year terms, with a Mayor selected from the members each year. As one of the major centers of economic activity in the County, San Mateo is home to over 10,000 businesses, with employment concentrated in professional and financial services, retail, and health, educational and recreational services.

The City of Foster City. Incorporated in 1971, Foster City is a general law city with a council-manager form of government. Five council members are elected to staggered four-year terms, with a two-term limit. Situated 10 miles south of the San Francisco International Airport, real estate values in the area are currently at historic highs.

San Mateo County. The County consists of 20 incorporated cities. It is the 14th most populous county in the State of California (the "State") and encompasses an area of 455 square miles of land and 292 square miles of water. It covers most of the San Francisco Peninsula, with the Santa Cruz Mountains running through its entire length. The County borders San Francisco County to the north and Silicon Valley and Santa Cruz County to the south. The Pacific Ocean lies to the west and the San Francisco Peninsula to the east. The County was formed in 1856 as one of the State's 18 original counties. The County is governed by a five-member Board of Supervisors elected by district to four-year staggered terms.

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Population

The following tables show the population estimates of the Cities, the County and the State of California (the "State") for the past 10 years.

POPULATION ESTIMATES
2010 through 2019
Cities of San Mateo, Foster City, the County of San Joaquin and State of California

Year[1]	City of San Mateo	City of Foster City	San Mateo County	State of California
2010[2]	97,207	30,567	718,451	37,253,956
2011	98,301	30,919	727,319	37,594,781
2012	99,215	31,221	736,760	37,971,427
2013	100,168	31,540	747,186	38,321,459
2014	101,010	32,508	753,472	38,622,301
2015	102,346	32,724	760,679	38,952,462
2016	103,424	32,763	766,649	39,214,803
2017	103,769	32,944	769,570	39,504,609
2018	104,497	33,094	772,372	39,740,508
2019	104,570	33,693	774,485	39,927,315

(1) As of January 1.
(2) As of April 1.
Source: California Department of Finance.

Income

The following table shows per capita personal income for the County, State and the United States for the past 10 years.

PER CAPITA PERSONAL INCOME
2009 through 2018
San Mateo County, State of California, and United States

Year	San Mateo County	State of California	United States
2009	$71,677	$42,044	$39,284
2010	73,805	43,634	40,546
2011	79,903	46,170	42,735
2012	88,058	48,798	44,599
2013	87,711	49,277	44,851
2014	93,765	52,324	47,058
2015	102,606	55,758	48,978
2016	107,207	57,739	49,870
2017	117,389	60,156	51,885
2018	126,392	63,557	54,446

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Employment

The following table summarizes the labor force, employment and unemployment figures for the past five years for the City, County, State and United States.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
2015 through 2019[1]
Cities of San Mateo and Foster City, San Mateo County, State of California and the United States

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate %
2015	City of San Mateo	61,300	59,300	2,000	3.3
	City of Foster City	18,800	18,200	600	3.1
	San Mateo County	434,300	419,400	14,800	3.4
	State of California	18,828,800	17,660,700	1,168,100	6.2
	United States	157,130,000	148,834,000	8,296,000	5.3
2016	City of San Mateo	62,700	60,900	1,800	2.9
	City of Foster City	19,500	19,000	600	2.9
	San Mateo County	441,800	428,300	13,500	3.0
	State of California	19,021,200	17,980,100	1,041,100	5.5
	United States	159,187,000	151,436,000	7,751,000	4.9
2017	City of San Mateo	63,200	61,500	1,700	2.6
	City of Foster City	19,700	19,200	500	2.6
	San Mateo County	445,500	433,400	12,100	2.7
	State of California	19,176,400	18,257,100	919,300	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2018	City of San Mateo	64,000	62,700	1,400	2.1
	City of Foster City	19,700	19,300	400	2.1
	San Mateo County	449,500	439,300	10,200	2.3
	State of California	19,280,800	18,460,700	820,100	4.3
	United States	162,075,000	155,761,000	6,314,000	3.9
2019	City of San Mateo	65,500	64,300	1,300	1.9
	City of Foster City	20,200	19,800	400	2.0
	San Mateo County	460,000	450,600	9,400	2.0
	State of California	19,411,600	18,627,400	784,200	4.0
	United States	163,539,000	157,538,000	6,001,000	3.7

Note: Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2019.

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Industry

The Cities and County are located in the San Francisco-Redwood City-South San Francisco Metropolitan Division (the "MSA"). The distribution of employment is presented in the following table for the past five years. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
San Francisco-Redwood City-South San Francisco Metropolitan Division
2015-2019

	2015	2016	2017	2018	2019
Total Farm	1,900	1,900	1,800	1,600	1,600
Mining, Logging and Construction	36,100	38,700	39,900	42,500	43,800
Manufacturing	36,100	38,700	39,900	42,500	43,800
Wholesale Trade	25,600	25,900	26,100	26,500	26,000
Retail Trade	80,800	81,100	81,200	80,300	78,100
Transportation, Warehousing & Utilities	36,200	40,500	43,900	47,300	50,300
Information	63,200	70,300	76,600	85,400	97,100
Financial Activities	77,300	80,400	80,900	83,200	86,200
Professional and Business Services	251,900	262,100	267,200	277,900	291,100
Education and Health Services	129,900	133,400	136,000	138,900	145,100
Leisure and Hospitality	137,100	141,400	142,400	143,600	147,700
Other Services	40,000	40,700	41,100	41,400	41,600
Government	124,400	127,700	129,900	131,400	132,000
Total All Industries	1,040,800	1,082,200	1,106,500	1,138,900	1,179,600

Note: Items may not add to total due to independent rounding.
Source: California Employment Development Department, Labor Market Information Division. March 2019 Benchmark.

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Principal Employers

The following tables show the principal employers in the Cities and County by number of employees.

PRINCIPAL EMPLOYERS
As of June 30, 2019
City of San Mateo

Rank	Employer	Employees
1.	County of San Mateo Medical Center	1,408
2.	Sony Interactive Entertainment America, Playstation America	2,000
3.	San Mateo-Foster City Unified School District[(1)]	3,897
4.	San Mateo Union High School District[(2)]	1,933
5.	Franklin Templeton Investor	1,200
6.	San Mateo County Behavioral Health	1,065
7.	Net Suite Inc.	1,021
8.	San Mateo Community College District	993
9.	City of San Mateo	857
10.	Fisher Investments	600

(1) For updated District labor information, see "SAN MATEO-FOSTER CITY SCHOOL DISTRICT – Labor Relations" in the front part of this Official Statement.

(2) Includes Capuchino and Burlingame HS which aren't in the City of San Mateo

Source: City of San Mateo 'Comprehensive Annual Financial Report' Fiscal Year Ended June 30, 2019.

PRINCIPAL EMPLOYERS
As of June 30, 2019
City of Foster City

Rank	Employer	Employees
1.	Gilead Sciences, Inc.	8,268
2.	Visa U.S.A. Inc.	2,152
3.	Visa Technology & Operations LLC, FKA Inovant LLC	867
4.	Guidewire Software, Inc.	670
5.	Zoox Inc.	530
6.	Cybersource Corporation	409
7.	Illumina Inc.	389
8.	IBM Corporation	367
9.	CSG Consultants, Inc.	364
10.	Brightedge Techologies	356

Source: City of Foster City 'Comprehensive Annual Financial Report' Fiscal Year Ended June 30, 2019.

PRINCIPAL EMPLOYERS
As of June 30, 2019
San Mateo County

Rank	Employer	Employees
1.	Facebook Inc.	14,000
2.	Genentech Inc.	9,500
3.	Oracle Corp.	7,535
4.	County of San Mateo	5,570
5.	Gilead Sciences Inc.	4,000
6.	Walmart Labs	2,000
7.	YouTube	2,000
8.	Robert Half International	1,668
9.	Sony Interactive Entertainment America, Playstation America	1,602
10.	Electronic Arts Inc.	1,520

Source: County of San Mateo 'Comprehensive Annual Financial Report' Fiscal Year Ended June 30, 2019.

Commercial Activity

Summaries of annual taxable sales for the Cities and County from 2014 through 2018 are shown in the following tables.

ANNUAL TAXABLE SALES
2014 through 2018
City of San Mateo
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2014	2,455	1,374,509	3,633	1,621,341
2015	2,506	1,367,103	3,898	1,639,305
2016	2,491	1,343,306	3,910	1,606,176
2017	2,442	1,349,365	3,829	1,652,321
2018[1]	2,447	1,366,772	4,000	1,647,756

(1) Preliminary, subject to change.
Source: Taxable Sales in California, California State Board of Equalization for 2014.
Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA") for 2015-18. Some previously reported data has been revised by the CDTFA.

ANNUAL TAXABLE SALES
2015 through 2018
City of Foster City
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2015	347	230,951	603	287,558
2016	350	221,134	583	271,492
2017	354	244,870	579	305,822
2018(1)	351	247,266	626	309,911

(1) Preliminary, subject to change.
Note: Annual Taxable Sales data for 2014 is not available for Foster City.
Source: Taxable Sales in California, California State Board of Equalization for 2014.
Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA") for 2015-18. Some previously reported data has been revised by the CDTFA.

ANNUAL TAXABLE SALES
2014 through 2018
San Mateo County
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2014	12,673	10,278,717	19,999	15,298,434
2015	12,744	10,463,012	21,581	15,639,825
2016	12,909	10,557,452	21,805	15,821,971
2017	12,744	11,132,628	21,534	16,736,449
2018(1)	12,802	11,674,214	22,554	17,547,097

(1) Preliminary, subject to change.
Source: Taxable Sales in California, California State Board of Equalization for 2014.
Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA") for 2015-18. Some previously reported data has been revised by the CDTFA.

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Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued for the past five years for the Cities and County are shown in the following tables.

BUILDING PERMITS AND VALUATIONS
2014 through 2018
City of San Mateo
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Valuation					
Residential	$91,518	$153,042	$80,972	$138,035	$61,325
Non-Residential	39,260	221,918	105,021	289,074	178,120
Total	$130,778	$374,960	$185,993	$427,109	$239,445
Units					
Single Family	26	100	36	72	8
Multiple Family	142	323	74	373	63
Total	168	423	110	445	71

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2014 through 2018
City of Foster City
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Valuation					
Residential	$51,768	$90,077	$39,422	$10,670	$12,004
Non-Residential	235,901	139,270	180,771	185,388	192,713
Total	$287,669	$229,347	$220,193	$196,058	$204,717
Units					
Single Family	0	0	0	0	0
Multiple Family	273	346	74	0	0
Total	273	346	74	0	0

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2014 through 2018
San Mateo County
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Valuation					
Residential	$806,994	$1,041,468	$1,015,135	$1,052,535	$950,939
Non-Residential	1,016,791	1,010,485	1,613,446	2,390,996	2,555,752
Total	$1,823,785	$2,051,953	$2,628,581	$3,443,531	$3,506,691
Units					
Single Family	315	521	458	411	443
Multiple Family	1,302	1,386	1,319	1,169	1,046
Total	1,617	1,907	1,777	1,580	1,489

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

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APPENDIX E

SAN MATEO COUNTY TREASURY POOL

The following information concerning the San Mateo County (the "County") Treasury Pool (the "Treasury Pool") has been provided by the County Treasurer-Tax Collector (the "Treasurer"), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriters. Neither the District, the Municipal Advisor nor the Underwriters have made an independent investigation of the investments in the Treasury Pool nor any assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer may change the investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District, the Municipal Advisor nor the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained is correct as of any time subsequent to its date. Further information may be obtained from the Treasurer at the following website: http://www.sbcounty.gov/atc/Treasurer/. However, the information presented on such website is not incorporated into this Official Statement by any reference.

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Sandie Arnott
TREASURER-TAX COLLECTOR

SAN MATEO COUNTY INVESTMENT POOL FUND MARCH 2020 QUARTER END REPORT

TABLE OF CONTENTS

Date: March 31, 2020

From: Sandie Arnott, San Mateo County Treasurer-Tax Collector

Subject: Update on the County Investment Pool

As County Treasurer, my team and I are tasked with stewardship of the County's funds, including those invested in the County Investment Pool (the "Pool"). As we are all undoubtedly aware, the spread of COVID-19 and its aftermath have caused significant impact to the state and national economies as businesses across the nation close their doors and individuals fall under broader "stay home" orders. This has led to significant volatility and stress in many segments of the financial markets. Amid the widespread uncertainty caused by the COVID-19 pandemic, I want to provide you with additional information regarding the Investment Pool and the funds entrusted with us.

The Pool is co-managed day-to-day by internal Treasury staff in coordination with the County's external investment advisor, PFM Asset Management LLC (PFM). Treasury staff manages balance collections, cash flow management and forecasting, and overnight/short-term investments, while PFM manages longer-term core balances and provides strategic guidance. In the current environment, as always, our primary investment objectives are safety of principal, liquidity, and then yield. While safety and liquidity are always first and foremost, it is especially important in these uncertain times to convey how we are maintaining these tenets in the County's portfolio.

Safety

All investments in the Pool are in compliance with the County's Investment Policy and with all applicable California Government Code requirements.

The portfolio invests in a variety of permitted sectors:

- $3.8 billion (or 67% of the portfolio) is invested in government securities (44% in U.S. Treasuries, 16% in federal agencies, 7% in supranationals). The strategy has specifically emphasized U.S. Treasuries as they remain the safest and most liquid assets available.
- $356 million (6%) is invested in the California Asset Management Trust Cash Reserve Portfolio (the CAMP Pool), LAIF, money market funds and overnight repurchase agreements; these funds are available immediately.
- $1.5 billion (27%) is diversified amongst highly-rated corporate (18%), bank (7%) and asset-backed securities (2%). All security holdings met the credit rating requirements of our policy at time of purchase and remain so. In response to the uncertain economic environment, yield spreads (the incremental yield compared to Treasuries) on credit instruments have widened sharply, reflecting the market's concern about future revenues, profits, liquidity and possible rating downgrades. The spike in yield spreads has had a negative, but (we believe) ultimately temporary, impact on the

market values of these securities. We continue to closely monitor all credit holdings in the portfolio and have increased our level of due diligence and surveillance.

While yield spreads may appear attractive, our enhanced emphasis on safety and liquidity means we are more focused on protecting portfolio principal from these elevated risks than on higher-yielding opportunities in the credit sectors at the present time. As a result, we are putting greater emphasis on holding high-quality government securities and avoiding adding significant credit holdings to the portfolio until the long-term effects of the current health crisis are better understood.

Liquidity

We understand that incoming revenues may also be impacted, or that there may be increased unforeseen expenditures or liabilities. Although the magnitude of these changes at the County level is yet to be known, we have proactively taken steps to be prepared for any upcoming liquidity needs by: (i) updating our cash flow modeling frequently; (ii) reaching out to Pool participants and County departments to gain insights into possible needs; and (iii) planning to maintain higher levels of daily, weekly and monthly liquidity in the portfolio, as shown below:

- $356 million (6%) of the Pool has overnight liquidity (comprising CAMP, LAIF and other overnight balances).
- An additional $1.1 billion of investments (19%) will mature within the next six months.
- $2.5 billion (44%) is invested in U.S. Treasury securities with strong liquidity and significant current unrealized market value gains.
- Until our cash flow position becomes clearer, our plan is to build up additional liquidity by limiting future long-term purchases.

We believe these measures have positioned the portfolio well, by holding sufficient immediate liquidity in the form of overnight and short-term investments, and contingent liquidity/flexibility provided by the large allocation to U.S. Treasuries and other liquid securities.

Yield

While not our first priority, we are still working hard to generate an attractive yield on the Pool. Although the Federal Reserve has pushed short-term rates down to near zero, as they did in 2008-2015, our strategy balances both short- and long-term investments. About 75% of the Pool is invested in securities with maturities beyond six months. Those longer-term investments will significantly slow the inevitable decline in the Pool yield over time.

Communication

During this time of uncertainty, news headlines as well as conditions in the financial markets are fast-developing. We continue to prioritize and encourage a two-way dialogue with all of our constituents due to the fluid nature of the current environment. In particular, as the County and other Pool participants work through updating estimated cash flow needs, we hope to stay abreast of changing needs, especially related to any anticipated or potential large future liquidity needs.

We will continue to provide updates on the current state of the County Investment Pool and make ourselves available to discuss any questions or concerns that might arise. Thank you and stay safe.

INTRODUCTION SUMMARY

Gross earnings for the month ending March 31, 2020 were 1.762%. Gross earnings for the quarter ending March 31, 2020 were 1.86%. Current average maturity of the portfolio is 1.93 years with an average duration of 1.86 years. The target rate for the fiscal year of 2019-2020 is 1.80%, as of the end of the month, the pool is currently on pace to meet the target rate. The current Par Value of the pool is $5.615 Billion. The largest non-government aggregate position is currently Wells Fargo Bank at 2.01%. The portfolio continues to hold no derivative products.

The estimated earnings for FY 2020-21 is 1.34%.

The San Mateo County Pool complies with Government Code Section 53646, which requires the ability to meet its expenditure requirements for the next six months.

I certify, and our compliance advisor, Silicon Valley Treasury Consulting Group, confirms these reports are in compliance with the Investment Policy dated Calendar Year 2020. Please visit our website if you wish to review Silicon Valley Treasury Consulting Group's monthly compliance report: https://treasurer.smcgov.org/investment-information

If you have any questions regarding any of these reports, please call me at (650) 363-4470.

Best regards,

Sandie Arnott
Treasurer-Tax Collector

SUMMARY OF POOL EARNINGS

ESTIMATED SUMMARY OF POOL EARNINGS

MARCH 2020

		Par Value		Gross Earnings
Fixed Income Securities Maturing > 1 year				
U S Treasury Notes	$	2,220,515,000	$	2,568,853
Corporate Notes		592,556,000.00		1,078,462.44
Floating Rate Securities		130,190,000.00		218,262.67
Federal Agencies		598,850,000.00		836,705.10
U.S, Instrumentalities		95,000,000.00		135,196.73
Asset Backed Securities		86,465,000.00		74,313.96
Certificate of Deposit		135,000,000.00		232,924.66
		$3,858,576,000	**$**	**5,144,718.38**
Short Term Securities Maturing < 1 year				
U S Treasury Notes	$	223,375,000	$	301,822
Corporate Notes		215,074,000.00		436,444.11
Floating Rate Securities		35,021,000.00		47,776.64
Federal Agencies		301,670,000.00		368,059.13
U.S, Instrumentalities		299,574,000.00		325,589.72
U S Treasury Bills		25,000,000.00		32,991.32
Certificate of Deposit		276,310,000.00		505,146.59
Commercial Paper		25,000,000.00		37,027.78
Dreyfus		33,798,903.90		
CAMP		246,900,000.00		209,130.14
LAIF		75,000,000.00		95,547.95
	$	**1,756,722,903.90**	**$**	**2,359,535.40**
Total Accrued Interest	**$**	**5,615,298,903.90**	**$**	**7,504,253.78**
Total Dollar Earnings for March			**$**	**8,559,307.39**

Realized Gain/Loss & Interest Received		Period Earnings
U S Treasury Notes	$	532,051
Corporate Notes		91,438.63
Certificate of Deposit		19,705.69
Federal Agencies		131,741.86
U.S, Instrumentalities		125,735.25
Floating Rate Securities		30,458.42
Asset Backed Securities		68,546.87
Repurchase Agreements		30,927.48
Dreyfus		10,842.07
Union Bank Earnings Credit		13,606.60
Total Realized Income		**$1,055,053.61**

AVERAGE BALANCE		**$**	**5,720,480,833.96**
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	**1.762%**	**$**	**8,559,307.39**
ADMINISTRATION FEES			**($461,556.60)**
NET EARNINGS RATE / NET DOLLAR EARNINGS	**1.667%**		**$8,097,750.78**

SUMMARY OF POOL EARNINGS

Q3 FY 2019-2020

	Par Value	Gross Earnings
Fixed Income Securities Maturing > 1 year		
U S Treasury Notes	$ 2,220,515,000.00	$ 5,311,170.38
Corporate Notes	592,556,000.00	2,216,542.96
Floating Rate Securities	130,190,000.00	363,982.24
Federal Agencies	598,850,000.00	2,094,711.59
U.S, Instrumentalities	95,000,000.00	270,539.39
Asset Backed Securities	86,465,000.00	65,044.81
Certificate of Deposit	135,000,000.00	374,979.45
	$ 3,858,576,000.00	**$ 10,696,970.82**
Short Term Securities Maturing < 1 year		
U S Treasury Notes	$ 223,375,000.00	$ 435,026.24
Corporate Notes	215,074,000.00	809,572.29
Floating Rate Securities	35,021,000.00	72,343.40
Federal Agencies	301,670,000.00	953,872.22
U.S, Instrumentalities	299,574,000.00	656,783.84
U S Treasury Bills	25,000,000.00	96,845.50
Certificate of Deposit	276,310,000.00	1,011,027.65
Commercial Paper	25,000,000.00	81,222.22
Dreyfus	33,798,903.90	-
CAMP	246,900,000.00	517,349.32
LAIF	75,000,000.00	276,780.82
	$ 1,756,722,903.90	**$ 4,910,823.50**
Total Accrued Interest	**$ 5,615,298,903.90**	**$ 15,607,794.32**
Total Dollar Earnings for Q3 FY 2019-20		**$ 26,533,339.04**

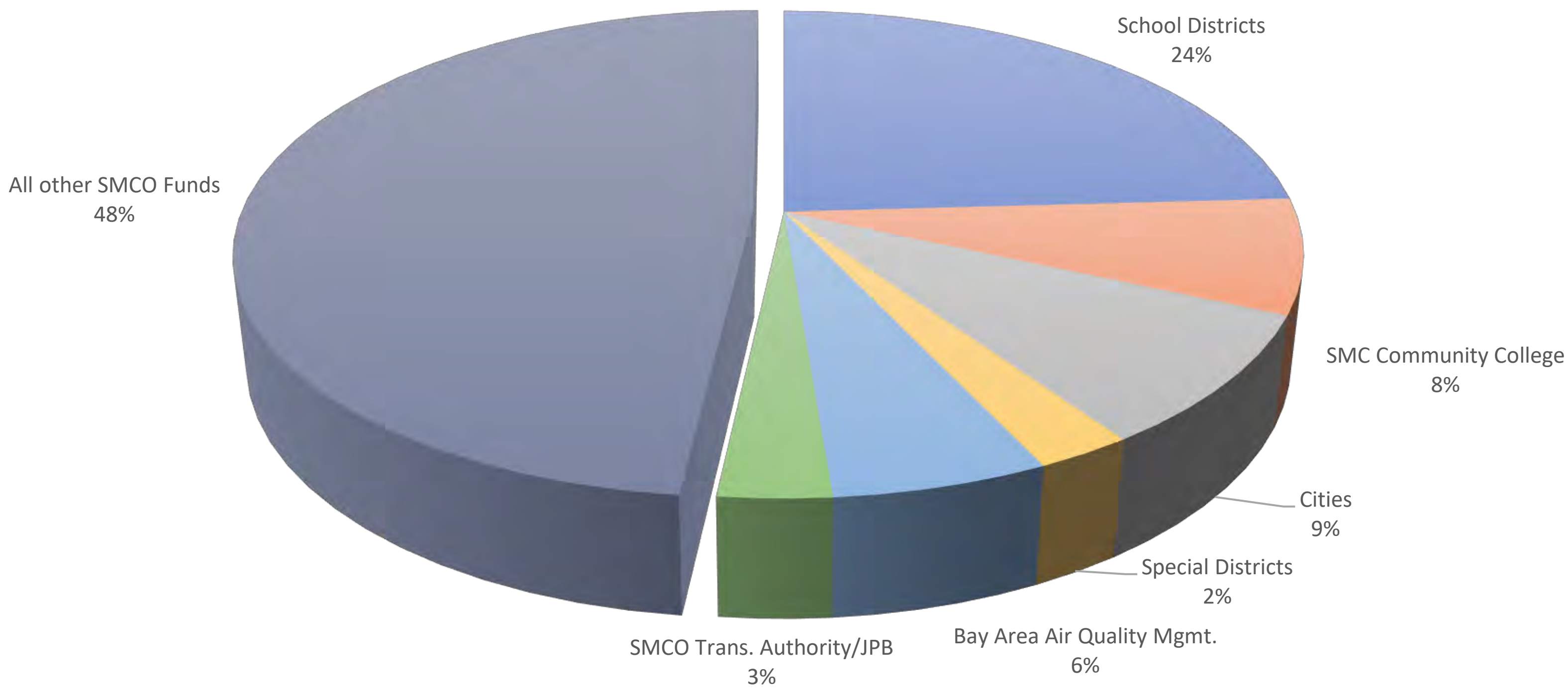
Realized Gain/Loss & Interest Received	Period Earnings
U S Treasury Notes	$ 4,190,862.86
Corporate Notes	2,010,258.66
Certificate of Deposit	1,140,327.52
Federal Agencies	1,189,855.27
U.S, Instrumentalities	918,550.40
Floating Rate Securities	513,804.06
Asset Backed Securities	244,614.46
U S Treasury Bills	129,163.54
Commercial Paper	212,491.67
Repurchase Agreements/LAIF/CAMP	292,175.48
Dreyfus	32,555.42
Union Bank Earnings Credit	50,885.39
Total Realized Income	**$10,925,544.72**

AVERAGE BALANCE		**$ 5,720,480,833.96**
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	**1.860%**	**$ 26,533,339.04**
ADMINISTRATION FEES		**($1,354,891.97)**
TRUE-UP CREDIT ADJUSTMENT		**$755,728.97**
NET EARNINGS RATE / NET DOLLAR EARNINGS	**1.818%**	**$ 25,934,176.05**

*True-up credit is based on annual admin fee less estimated budget requirements for current fiscal year

*Current admin fees rate is at 9.5bp

SAN MATEO COUNTY TREASURER'S OFFICE POOL PARTICIPANTS DISTRIBUTION
March 31, 2020



Participants:	**$**	**%**
School Districts	$ 1,363,853,646.70	23.8%
SMC Community College	$ 428,828,520.77	8.7%
Cities	$ 494,510,269.99	8.8%
Special Districts	$ 145,269,386.56	3.3%
Bay Area Air Quality Mgmt.	$ 324,917,383.07	6.0%
SMCO Trans. Authority/JPB	$ 170,010,765.92	3.5%
All other SMCO Funds	$ 2,730,294,532.31	45.9%
Totals	**$ 5,657,684,505.32**	**100.0%**

*Figures are based on the account balances of current pool participants and it will not match the Market Value of the pool.

SAN MATEO COUNTY TREASURER'S OFFICE

FIXED INCOME DISTRIBUTION - SETTLED TRADES

SAN MATEO COUNTY POOL

March 31, 2020

Summary Information

Totals	
Par Value	5,615,298,904
Market Value	5,779,989,762.57
Total Cost	5,662,002,930.28
Net Gain/Loss	117,986,832.30
Annual Income	110,953,177.62
Accrued Interest	26,414,415.78
Number of Issues	233

Weighted Averages	
Average YTM	0.90
Average Maturity (yrs)	1.93
Average Coupon (%)	1.98
Average Duration	1.86
Average Moody Rating	Aa1/P-1
Average S&P Rating	AA/A-1

Distribution by Maturity

Maturity	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Under 1 Yr	83	1,882,250,983.06	32.6	1.1	1.661 %	0.4
1 Yr - 3 Yrs	86	2,446,550,505.84	42.3	0.8	2.039 %	1.9
3 Yrs - 5 Yrs	64	1,451,188,273.67	25.1	0.8	2.312 %	3.8

Distribution by Coupon

Coupon %	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Under 1%	11	203,691,532.46	3.5	0.3	0.000 %	0.2
1% - 3%	201	5,342,359,434.25	92.4	0.9	1.980 %	1.9
3% - 5%	19	204,935,667.76	3.5	2.3	3.596 %	2.5
5% - 7%	2	29,003,128.11	0.5	1.6	5.408 %	1.3

Distribution by Duration

Duration	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Under 1 Yr	87	1,958,283,442.05	33.9	1.2	1.691 %	0.4
1 Yr - 3 Yrs	87	2,486,489,089.34	43.0	0.7	2.039 %	2.0
3 Yrs - 5 Yrs	59	1,335,217,231.19	23.1	0.8	2.314 %	3.8

SAN MATEO COUNTY TREASURER'S OFFICE

FIXED INCOME DISTRIBUTION - SETTLED TRADES

SAN MATEO COUNTY POOL

March 31, 2020

Distribution by Moody Rating

Rating	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Aaa	138	4,269,272,648.51	73.9	0.4	1.872 %	2.0
Aa1	5	34,171,869.33	0.6	2.4	1.941 %	1.7
Aa2	12	275,278,211.66	4.8	2.4	2.401 %	1.4
Aa3	11	204,193,888.87	3.5	2.2	2.188 %	1.6
A1	26	347,651,070.36	6.0	2.3	2.378 %	1.3
A2	23	274,730,401.82	4.8	2.6	2.732 %	2.3
A3	10	127,938,838.38	2.2	2.2	2.822 %	3.6
P-1	7	171,478,916.97	3.0	1.6	1.366 %	0.2
Not Rated	1	75,273,916.67	1.3	1.7	1.730 %	0.0

Distribution by S&P Rating

Rating	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
AAA	29	775,443,430.39	13.4	0.8	1.330 %	0.8
AA+	112	3,515,817,171.01	60.8	0.4	1.992 %	2.2
AA	2	27,045,724.22	0.5	1.6	2.293 %	1.6
AA-	19	307,873,936.46	5.3	2.1	2.237 %	1.5
A+	24	382,712,926.74	6.6	2.6	2.396 %	1.3
A	24	315,247,411.25	5.5	2.3	2.375 %	2.1
A-	12	167,805,702.44	2.9	2.4	3.000 %	2.7
BBB+	3	41,290,626.43	0.7	2.6	3.679 %	3.5
A-1+	4	95,881,513.36	1.7	1.3	1.302 %	0.2
A-1	3	75,597,403.61	1.3	2.0	1.448 %	0.2
Not Rated	1	75,273,916.67	1.3	1.7	1.730 %	0.0

** MARKET VALUE ON THE FIXED INCOME DISTRIBUTION REPORT INCLUDES ANY ACCRUED INTEREST THAT A SECURITY HAS EARNED. TOTAL COST DOES NOT REFLECT AMORTIZATIONS OR ACCRETIONS BUT INCLUDES PURCHASED ACCRUED INTEREST. MONTHLY TRANSACTION SUMMARY REPORT IS AVAILABLE UPON REQUEST.

SAN MATEO COUNTY TREASURER'S OFFICE
PORTFOLIO APPRAISAL
SAN MATEO COUNTY POOL
3/31/2020

Security	Coupon	Mature Date	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
CERTIFICATE OF DEPOSIT													
SOCIETE GENERALE NY	2.68	5/1/2020			25000000	100	25000000	100	25000000	619750	25619750	A-1	0.43
SWEDBANK YCD FRN-Q	1.97	5/7/2020			20000000	100	20000000	100	20000000	750314.8	20750314.75	A-1+	0.35
DNB NOR BANK ASA NY	1.63	5/22/2020			25000000	100	25000000	100	25000000	55465.28	25055465.28	A-1+	0.43
SWEDBANK NY	1.74	6/30/2020			25000000	100	25000000	100	25000000	77333.33	25077333.33	A-1+	0.43
MIZUHO BANK LTD/NY	1.66	7/10/2020			25000000	100	25000000	100	25000000	56486.11	25056486.11	A-1	0.43
BNS HOUSTON YCD- FRNQ	2.18	8/17/2020			25000000	100	25000000	100	25000000	62183.33	25062183.33	A+	0.43
SUMITOMO MITSUI BANK NY	2.03	8/28/2020			25000000	100.21	25052250	100	25000000	45183.33	25045183.33	A	0.43
HSBC BANK USA	2.7	10/2/2020			10000000	100	10000000	100	10000000	271500	10271500	AA-	0.17
SVENSKA HANDELSBANKEN YCD-FRN	2.09	1/29/2021			25000000	100	25000000	100	25000000	90201.39	25090201.39	AA-	0.43
NORDEA BANK NY - FRN	2	2/12/2021			25000000	100	25000000	100	25000000	66771	25066771	AA-	0.43
COOPERATIEVE RABO YCD FRN	1.83	3/1/2021			25000000	100	25000000	100	25000000	38132.92	25038132.92	A+	0.43
CREDIT AGRICOLE CIB NY	2.83	4/2/2021			25000000	100	25000000	100	25000000	711430.6	25711430.56	A+	0.43
SOCIETE GENERALE NY	1.8	2/14/2022			10000000	100	10000000	100	10000000	21000	10021000	A	0.17
NORDEA BANK ABP NY	1.85	8/26/2022			50000000	100	50000000	100	50000000	87361.11	50087361.11	AA-	0.87
SKANDINAV ENSKILDA BK NY	1.86	8/26/2022			50000000	100	50000000	100	50000000	90416.67	50090416.67	A+	0.87
DNB NOR BANK ASA NY	2.04	12/2/2022			25000000	100	25000000	100	25000000	162916.7	25162916.67	AA-	0.43
					415000000		415052250		415000000	3206446	418206446.4		7.21
COMMERCIAL PAPER													
MUFG BANK LTD/NY	0	6/5/2020			25000000	99.36	24841138.89	99.68	24921167.5	0	24921167.5	A-1	0.43
LOCAL AGENCY INVESTMENT FUND													
CA ASSET MGMT PROGRAM	1.16	4/1/2020			246900000	100	246900000	100	246900000	477340	247377340	AAA	4.29
LAIF	1.73	4/1/2020			75000000	100	75000000	100	75000000	273916.7	75273916.67	NR	1.3
					321900000		321900000		321900000	751256.7	322651256.7		5.59
UNITED STATES TREASURY-BILLS													
UNITED STATES TREAS BILL	0	5/7/2020			25000000	99.23	24806309	99.99	24998400	0	24998400	A-1+	0.43
UNITED STATES TREASURY-NOTES													
UNITED STATES TREAS NTS	2	7/31/2020			20000000	100.28	20055468.75	100.67	20134380	65934.07	20200314.07	AA+	0.35
UNITED STATES TREAS NTS	1.62	7/31/2020			20000000	100.04	20007031.25	100.5	20100000	53571.43	20153571.43	AA+	0.35
UNITED STATES TREAS NTS	1.37	8/31/2020			25000000	99.81	24952148.44	100.53	25132800	29275.41	25162075.41	AA+	0.44
UNITED STATES TREAS NTS	1.37	8/31/2020			25000000	99.8	24951171.88	100.53	25132800	29275.41	25162075.41	AA+	0.44
UNITED STATES TREAS NTS	1.37	8/31/2020			40000000	99.81	39923437.5	100.53	40212480	46840.66	40259320.66	AA+	0.7

UNITED STATES TREAS NTS	1.37	8/31/2020	25000000	99.84	24960937.5	100.53	25132800	29275.41	25162075.41	AA+	0.44
UNITED STATES TREAS NTS	1.37	9/15/2020	20000000	99.83	19965625	100.58	20116400	11956.52	20128356.52	AA+	0.35
UNITED STATES TREAS NTS	2.75	9/30/2020	2500000	100.82	2520605.47	101.31	2532812.5	186.82	2532999.32	AA+	0.04
UNITED STATES TREAS NTS	1.75	10/31/2020	10400000	99.71	10369937.5	100.97	10500755.2	76081.97	10576837.17	AA+	0.18
UNITED STATES TREAS NTS	2.25	2/15/2021	25000000	100.46	25115234.38	101.9	25474600	69539.84	25544139.84	AA+	0.44
UNITED STATES TREAS NTS	2.5	2/28/2021	10475000	100.96	10575658.21	102.2	10704957.67	22060.12	10727017.8	AA+	0.19
UNITED STATES TREAS NTS	2.62	6/15/2021	20000000	101.87	20374218.75	103.01	20602340	153483.6	20755823.61	AA+	0.36
UNITED STATES TREAS NTS	2.62	6/15/2021	9200000	101.49	9337281.25	103.01	9477076.4	70602.46	9547678.86	AA+	0.16
UNITED STATES TREAS NTS	1.12	6/30/2021	28950000	99.17	28709126.95	101.27	29318649.3	81421.87	29400071.17	AA+	0.51
UNITED STATES TREAS NTS	1.12	7/31/2021	50000000	100	50000000	101.27	50636700	92719.78	50729419.78	AA+	0.88
UNITED STATES TREAS NTS	1.12	7/31/2021	23500000	98.58	23166777.34	101.27	23799249	43578.3	23842827.3	AA+	0.41
UNITED STATES TREAS NTS	2.75	8/15/2021	10000000	101.93	10192968.75	103.54	10353910	33997.25	10387907.25	AA+	0.18
UNITED STATES TREAS NTS	2.75	8/15/2021	14160000	101.82	14417756.25	103.54	14661136.56	48140.11	14709276.67	AA+	0.25
UNITED STATES TREAS NTS	2.75	8/15/2021	17400000	102.4	17817328.13	103.54	18015803.4	59155.22	18074958.62	AA+	0.31
UNITED STATES TREAS NTS	1.12	8/31/2021	50000000	99.62	49812500	101.33	50664050	49450.55	50713500.55	AA+	0.88
UNITED STATES TREAS NTS	1.12	8/31/2021	50000000	99.75	49875000	101.33	50664050	49450.55	50713500.55	AA+	0.88
UNITED STATES TREAS NTS	1.12	9/30/2021	50000000	99.78	49890625	101.37	50687500	1528.53	50689028.53	AA+	0.88
UNITED STATES TREAS NTS	1.12	9/30/2021	20000000	98.73	19746093.75	101.37	20275000	611.41	20275611.41	AA+	0.35
UNITED STATES TREAS NTS	1.5	9/30/2021	10425000	100.16	10441289.06	101.95	10628204.1	0	10628204.1	AA+	0.18
UNITED STATES TREAS NTS	2.87	10/15/2021	25000000	102.16	25541015.63	104.11	26026375	329918	26356293.03	AA+	0.45
UNITED STATES TREAS NTS	1.25	10/31/2021	50000000	100	50000000	101.67	50835950	261270.5	51097220.49	AA+	0.88
UNITED STATES TREAS NTS	2.88	11/15/2021	30000000	102.91	30873046.88	104.33	31299600	325017.5	31624617.45	AA+	0.54
UNITED STATES TREAS NTS	2.88	11/15/2021	18585000	102.51	19051802.93	104.33	19390102.2	201348.3	19591450.51	AA+	0.34
UNITED STATES TREAS NTS	2.88	11/15/2021	4870000	102.57	4994956.81	104.33	5080968.4	52761.17	5133729.57	AA+	0.09
UNITED STATES TREAS NTS	2.12	12/31/2021	20000000	101.46	20291406.25	103.32	20663280	106830.6	20770110.6	AA+	0.36
UNITED STATES TREAS NTS	2.12	12/31/2021	15500000	101.17	15681035.16	103.32	16014042	82793.72	16096835.72	AA+	0.28
UNITED STATES TREAS NTS	2	12/31/2021	28280000	100.67	28470006.25	103.11	29159338.32	141400	29300738.32	AA+	0.51
UNITED STATES TREAS NTS	2	12/31/2021	25500000	100.72	25683281.25	103.11	26292897	127500	26420397	AA+	0.46
UNITED STATES TREAS NTS	2.5	1/15/2022	16700000	101.68	16980507.81	104.08	17381042.7	87170.33	17468213.03	AA+	0.3
UNITED STATES TREAS NTS	2.5	1/15/2022	13500000	101.62	13718320.31	104.08	14050543.5	70467.03	14121010.53	AA+	0.24
UNITED STATES TREAS NTS	2.5	1/15/2022	26000000	101.87	26485468.75	104.08	27060306	135714.3	27196020.29	AA+	0.47
UNITED STATES TREAS NTS	2.5	2/15/2022	19575000	102	19966500	104.27	20410754.62	60499.66	20471254.28	AA+	0.35
UNITED STATES TREAS NTS	2.5	2/15/2022	14700000	101.71	14950933.59	104.27	15327616.5	45432.69	15373049.19	AA+	0.27
UNITED STATES TREAS NTS	1.87	2/28/2022	12300000	100.71	12387925.78	103.17	12690143.7	19427.65	12709571.35	AA+	0.22
UNITED STATES TREAS NTS	1.87	3/31/2022	50000000	100.48	50238281.25	103.31	51654300	2547.55	51656847.55	AA+	0.9
UNITED STATES TREAS NTS	1.87	3/31/2022	10500000	101.02	10606640.63	103.31	10847403	534.99	10847937.99	AA+	0.19
UNITED STATES TREAS NTS	1.87	3/31/2022	15625000	101.59	15872802.73	103.31	16141968.75	796.11	16142764.86	AA+	0.28
UNITED STATES TREAS NTS	2.25	4/15/2022	40000000	101.05	40420312.5	104.12	41648440	413114.8	42061554.75	AA+	0.72
UNITED STATES TREAS NTS	2.12	5/15/2022	25000000	100.9	25225585.94	104.01	26002925	199948.5	26202873.49	AA+	0.45
UNITED STATES TREAS NTS	2.12	5/15/2022	1900000	101.8	1934289.06	104.01	1976222.3	15196.09	1991418.39	AA+	0.03
UNITED STATES TREAS NTS	2.12	5/15/2022	16600000	101.8	16899578.13	104.01	17265942.2	132765.8	17398708	AA+	0.3
UNITED STATES TREAS NTS	1.75	5/31/2022	25200000	99.77	25142906.25	103.27	26023914	147807.7	26171721.69	AA+	0.45
UNITED STATES TREAS NTS	2.12	6/30/2022	32500000	101.7	33052246.09	104.3	33899027.5	172656.3	34071683.75	AA+	0.59
UNITED STATES TREAS NTS	2.12	6/30/2022	19960000	101.24	20207940.63	104.3	20819218.12	106037.5	20925255.62	AA+	0.36
UNITED STATES TREAS NTS	1.75	7/15/2022	30895000	100.31	30990340.04	103.43	31953400.91	112885.6	32066286.49	AA+	0.56
UNITED STATES TREAS NTS	1.87	7/31/2022	49400000	100.78	49784007.81	103.82	51289154.8	69468.75	51358623.55	AA+	0.89
UNITED STATES TREAS NTS	1.87	7/31/2022	14135000	100.96	14271380.66	103.82	14675550.67	19877.34	14695428.01	AA+	0.26
UNITED STATES TREAS NTS	2	7/31/2022	10000000	100.51	10050781.25	104.12	10412110	32967.03	10445077.03	AA+	0.18
UNITED STATES TREAS NTS	2	7/31/2022	25000000	100.45	25113281.25	104.12	26030275	82417.58	26112692.58	AA+	0.45
UNITED STATES TREAS NTS	1.62	8/31/2022	50000000	99.62	49808593.75	103.28	51640600	0	51640600	AA+	0.9
UNITED STATES TREAS NTS	1.87	9/30/2022	50000000	99.73	49863281.25	104.05	52027350	2547.55	52029897.55	AA+	0.9
UNITED STATES TREAS NTS	2	10/31/2022	50000000	99.84	49919921.88	104.47	52234400	472677.6	52707077.6	AA+	0.91
UNITED STATES TREAS NTS	2	11/30/2022	50000000	99.49	49746093.75	104.57	52283200	333333.3	52616533.33	AA+	0.91

UNITED STATES TREAS NTS	1.62	12/15/2022	11000000	102.61	11287000.73	103.67	11403909	52631.94	11456540.94	AA+	0.2
UNITED STATES TREAS NTS	2.12	12/31/2022	25000000	100.93	25233398.44	105.07	26267575	405816	26673390.97	AA+	0.46
UNITED STATES TREAS NTS	2.37	1/31/2023	20000000	102.3	20460156.25	105.92	21184380	78296.7	21262676.7	AA+	0.37
UNITED STATES TREAS NTS	2.37	1/31/2023	25000000	102.5	25625000	105.92	26480475	97870.88	26578345.88	AA+	0.46
UNITED STATES TREAS NTS	2.37	1/31/2023	24500000	102.41	25090488.28	105.92	25950865.5	95913.46	26046778.96	AA+	0.45
UNITED STATES TREAS NTS	2.62	2/28/2023	30000000	102.91	30873046.88	106.8	32040240	465937.5	32506177.5	AA+	0.56
UNITED STATES TREAS NTS	2.62	2/28/2023	10935000	103.16	11280990.23	106.8	11678667.48	169834.2	11848501.7	AA+	0.2
UNITED STATES TREAS NTS	2.5	3/31/2023	25100000	103.48	25972617.19	106.6	26756022.7	1743.06	26757765.76	AA+	0.47
UNITED STATES TREAS NTS	1.5	3/31/2023	27800000	99.32	27612132.81	103.62	28807750	1133.15	28808883.15	AA+	0.5
UNITED STATES TREAS NTS	2.75	4/30/2023	11900000	103.93	12367632.81	107.55	12798545.2	136653.9	12935199.05	AA+	0.22
UNITED STATES TREAS NTS	2.75	4/30/2023	22700000	104.15	23641461.45	107.55	24414031.6	260675.8	24674707.42	AA+	0.42
UNITED STATES TREAS NTS	2.75	5/31/2023	50000000	104.48	52242187.5	107.73	53865250	460851.7	54326101.65	AA+	0.94
UNITED STATES TREAS NTS	2.62	6/30/2023	25000000	102.91	25727539.06	107.51	26876950	164062.5	27041012.5	AA+	0.47
UNITED STATES TREAS NTS	2.75	7/31/2023	25000000	103.65	25912109.38	108.1	27025400	113324.2	27138724.18	AA+	0.47
UNITED STATES TREAS NTS	2.75	7/31/2023	35000000	104.89	36713085.94	108.1	37835560	158653.9	37994213.85	AA+	0.66
UNITED STATES TREAS NTS	2.75	8/31/2023	11800000	103.55	12218531.25	108.26	12774880.6	28527.47	12803408.07	AA+	0.22
UNITED STATES TREAS NTS	2.75	8/31/2023	24500000	104.76	25665664.06	108.26	26524116.5	59230.77	26583347.27	AA+	0.46
UNITED STATES TREAS NTS	2.87	9/30/2023	9485000	104.35	9897745.7	108.95	10333831.62	0	10333831.62	AA+	0.18
UNITED STATES TREAS NTS	2.87	9/30/2023	22425000	105.45	23646987.3	108.95	24431858.1	0	24431858.1	AA+	0.42
UNITED STATES TREAS NTS	1.62	10/31/2023	50000000	100.16	50078125	104.69	52345700	339651.6	52685351.64	AA+	0.91
UNITED STATES TREAS NTS	2.87	11/30/2023	26000000	104.2	27092812.5	109.33	28426320	249166.7	28675486.67	AA+	0.49
UNITED STATES TREAS NTS	2.62	12/31/2023	25000000	103.46	25864257.81	108.6	27150400	493084	27643484.02	AA+	0.47
UNITED STATES TREAS NTS	2.5	1/31/2024	18900000	103.59	19577742.19	108.28	20464409.7	77884.62	20542294.32	AA+	0.36
UNITED STATES TREAS NTS	2.5	1/31/2024	43000000	104.37	44879570.31	108.28	46559239	177197.8	46736436.8	AA+	0.81
UNITED STATES TREAS NTS	2.5	1/31/2024	19000000	103.36	19639023.44	108.28	20572687	78296.7	20650983.7	AA+	0.36
UNITED STATES TREAS NTS	2.37	2/29/2024	31790000	103.2	32805789.84	107.96	34319530.3	63601.6	34383131.9	AA+	0.6
UNITED STATES TREAS NTS	2.12	2/29/2024	15500000	102.43	15876601.56	106.96	16578939.5	27746.26	16606685.76	AA+	0.29
UNITED STATES TREAS NTS	2.12	2/29/2024	40000000	101.59	40635937.5	106.96	42784360	71603.26	42855963.26	AA+	0.74
UNITED STATES TREAS NTS	2.12	3/31/2024	29300000	102.23	29953527.34	107.09	31377311.4	1729.51	31379040.91	AA+	0.55
UNITED STATES TREAS NTS	2.25	4/30/2024	15000000	102.87	15430664.06	107.73	16159575	140934.1	16300509.07	AA+	0.28
UNITED STATES TREAS NTS	2.25	4/30/2024	25000000	102.53	25633531.51	107.73	26932625	234890.1	27167515.11	AA+	0.47
UNITED STATES TREAS NTS	2	4/30/2024	15000000	102.54	15381683.56	106.69	16003125	126666.7	16129791.67	AA+	0.28
UNITED STATES TREAS NTS	2.5	5/15/2024	25000000	104.22	26055664.06	108.8	27201175	235233.5	27436408.52	AA+	0.47
UNITED STATES TREAS NTS	2	5/31/2024	15125000	102.32	15475437.16	106.84	16158929.87	102513.9	16261443.76	AA+	0.28
UNITED STATES TREAS NTS	2	6/30/2024	5100000	101.89	5196222.66	106.92	5452818	25500	5478318	AA+	0.09
UNITED STATES TREAS NTS	2	6/30/2024	10000000	101.85	10185156.25	106.92	10691800	50000	10741800	AA+	0.19
UNITED STATES TREAS NTS	2	6/30/2024	25000000	101.44	25360351.56	106.92	26729500	125000	26854500	AA+	0.46
UNITED STATES TREAS NTS	2.12	7/31/2024	25000000	101.98	25496093.75	107.55	26888675	87568.68	26976243.68	AA+	0.47
UNITED STATES TREAS NTS	1.87	8/31/2024	25000000	100.86	25213867.19	106.6	26649425	41208.79	26690633.79	AA+	0.46
UNITED STATES TREAS NTS	2.12	9/30/2024	15900000	102.27	16260855.47	107.87	17150884.8	0	17150884.8	AA+	0.3
UNITED STATES TREAS NTS	1.5	9/30/2024	9000000	100.8	9072070.31	105.08	9457029	0	9457029	AA+	0.16
UNITED STATES TREAS NTS	1.5	10/31/2024	33895000	100.32	34002245.9	105.17	35646693.6	214668.3	35861361.93	AA+	0.62
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			2443890000		2478037700		2554618277	11198572	2565816849		44.4

FEDERAL AGENCY - FLOATING RATE SECURITIES

FREDDIE MAC	1.59	4/3/2020	10000000	100	10000000	100	9999983.2	38866.67	10038849.87	AA+	0.17
FEDERAL HOME LOAN BANK	1.62	5/8/2020	20000000	100	20000000	99.99	19998663.2	22569.44	20021232.64	AA+	0.35
FREDDIE MAC	1.57	5/20/2020	10000000	100	9999967.92	99.99	9999100	17500	10016600	AA+	0.17
FEDERAL FARM CREDIT BANK-FRN	1.62	5/26/2020	10000000	100	10000000	100	10000308.5	2244.62	10002553.12	AA+	0.17
FEDERAL HOME LOAN BANK	1.65	6/19/2020	19650000	100	19650000	100	19649686.19	10840.25	19660526.44	AA+	0.34
FEDERAL HOME LOAN BANK	1.59	9/28/2020	8000000	100	8000000	99.89	7990985.04	11306.67	8002291.71	AA+	0.14

FED HOME LN BANK	1.66	10/7/2020			7000000	100	7000000	99.93	6995172.87	27113.33	7022286.2	AA+	0.12
FEDERAL FARM CR BKS FDG CORP	1.68	12/11/2020			5000000	100	5000000	99.96	4997883.65	4653.47	5002537.12	AA+	0.09
FEDERAL FARM CR BKS FDG CORP	1.67	8/9/2021			15000000	100	15000000	99.8	14970346.95	15316.4	14985663.35	AA+	0.26
FEDERAL FARM CR BKS FDG CORP	1.68	9/17/2021			15000000	100	15000000	100.01	15001230	9791.25	15011021.25	AA+	0.26
FEDERAL FARM CR BKS FDG CORP	1.68	9/17/2021			5000000	100	5000000	100.01	5000410	3263.75	5003673.75	AA+	0.09
FEDERAL FARM CR BKS FDG CORP	1.7	11/8/2021			10000000	100	10000000	99.68	9967718.4	24499.22	9992217.62	AA+	0.17
FEDERAL FARM CR BKS FDG CORP	1.7	11/8/2021			5000000	100	5000000	99.68	4983859.2	12249.61	4996108.81	AA+	0.09
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					139650000		139649967.9		139555347.2	200214.7	139755561.9		2.43
FEDERAL AGENCY SECURITIES													

FED HOME LOAN MORTG. CORP.	1.37	5/1/2020			15000000	100	14999281.25	100.09	15013640.7	85937.5	15099578.2	AA+	0.26
FEDERAL HOME LOAN BANK-DISCOUN	0	5/8/2020			10000000	99.22	9921512.5	99.99	9999280.6	0	9999280.6	AA+	0.17
FEDERAL HOME LOAN BANK-1	1.7	5/15/2020			2500000	100	2500000	100.17	2504143.07	16055.56	2520198.63	AA+	0.04
FEDERAL HOME LOAN BANK-1	1.7	5/15/2020			5000000	100	5000000	100.17	5008286.15	32111.11	5040397.26	AA+	0.09
FEDERAL HOME LOAN BANK-1	1.7	5/15/2020			2000000	100	2000000	100.17	2003314.46	12844.44	2016158.9	AA+	0.03
FEDERAL HOME LOAN BANK	2.62	5/28/2020			19000000	99.96	18993160	100.36	19067678	171791.7	19239469.67	AA+	0.33
FEDERAL HOME LOAN BANK	2.62	5/28/2020			3520000	100.57	3539930.53	100.36	3532538.24	31826.67	3564364.91	AA+	0.06
FEDERAL HOME DISCOUNT NOTE	0	7/6/2020			10000000	99	9900130.56	99.98	9997600	0	9997600	AA+	0.17
FEDERAL HOME LOAN BANK DISCOUN	0	7/10/2020			20000000	99.04	19807766.67	99.97	19995000	0	19995000	AA+	0.35
FEDERAL HOME DISCOUNT NOTE	0	8/14/2020			25000000	99.78	24945472.22	99.96	24989687.5	0	24989687.5	AA+	0.43
FEDERAL HOME LOAN BANK	1.37	9/28/2020			5000000	99.68	4983950	100.54	5027092.25	572.92	5027665.17	AA+	0.09
FEDERAL HOME LOAN BANK	1.37	9/28/2020			10000000	99.68	9967900	100.54	10054184.5	1145.83	10055330.33	AA+	0.17
FEDERAL HOME LOAN MORTGAGE COR	1.62	9/29/2020			15000000	99.82	14972850	100.55	15082102.05	1354.17	15083456.22	AA+	0.26
FEDERAL HOME LOAN BANK	2.62	10/1/2020			25000000	99.78	24946250	101.15	25287395.25	328125	25615520.25	AA+	0.44
FEDERAL HOME LOAN BANK	2.62	10/1/2020			20000000	101.2	20239716.67	101.15	20229916.2	262500	20492416.2	AA+	0.35
FEDERAL HOME LOAN MORTGAGE COR	2.25	11/24/2020			5000000	100.42	5021100	101.1	5054883.8	39687.5	5094571.3	AA+	0.09
FEDERAL HOME LOAN MORTGAGE COR	2.25	11/24/2020			7500000	100.42	7531650	101.1	7582325.7	59531.25	7641856.95	AA+	0.13
FEDERAL HOME LOAN MORTGAGE COR	2.25	11/24/2020			7500000	100.42	7531650	101.1	7582325.7	59531.25	7641856.95	AA+	0.13
FEDERAL NATIONAL MORTGAGE ASSO	1.5	11/30/2020			5000000	99.91	4995350	100.67	5033689.15	25000	5058689.15	AA+	0.09
FEDERAL FARM CREDIT BANK	2.12	6/7/2021			20000000	100.23	20047000	102.07	20413722	134583.3	20548305.33	AA+	0.35
FEDERAL HOME LOAN BANK	2.25	6/11/2021			25000000	100.7	25176250	102.2	25550718	171875	25722593	AA+	0.44
FEDERAL HOME LOAN BANK	2.25	6/11/2021			30000000	100.57	30169800	102.2	30660861.6	206250	30867111.6	AA+	0.53
FEDERAL NATIONAL MORTGAGE ASSO	2.75	6/22/2021			25000000	99.98	24994250	102.88	25719340.5	189062.5	25908403	AA+	0.45
FED FARM CREDIT (1)	2.1	6/24/2021	6/24/2020	100	15000000	100	15000000	100.37	15054751.2	84875	15139626.2	AA+	0.26
FEDERAL HOME LOAN BANK	1.87	7/7/2021			25000000	99.76	24940250	101.87	25466522.75	109375	25575897.75	AA+	0.44
FEDERAL HOME LOAN BANK	1.12	7/14/2021			5000000	99.51	4975350	101.01	5050595.35	12031.25	5062626.6	AA+	0.09
FEDERAL HOME LOAN BANK	1.12	7/14/2021			5000000	99.51	4975350	101.01	5050595.35	12031.25	5062626.6	AA+	0.09
FEDERAL HOME LOAN BANK	1.12	7/14/2021			5000000	99.51	4975350	101.01	5050595.35	12031.25	5062626.6	AA+	0.09
FEDERAL HOME LOAN BANK	1.12	7/14/2021			5000000	99.51	4975350	101.01	5050595.35	12031.25	5062626.6	AA+	0.09
FEDERAL HOME LOAN BANK	1.12	7/14/2021			5000000	99.51	4975350	101.01	5050595.35	12031.25	5062626.6	AA+	0.09
FEDERAL NATIONAL MORTGAGE ASSO	1.25	8/17/2021			10000000	99.59	9959500	101.15	10114696.6	15277.78	10129974.38	AA+	0.18
FANNIE MAE	2.62	1/11/2022			24300000	102.13	24818076	103.87	25240048.9	141750	25381798.9	AA+	0.44
FEDERAL HOME LOAN BANK	2.12	6/10/2022			40000000	100.59	40237200	103.84	41537362	262083.3	41799445.33	AA+	0.72
FEDERAL HOME LOAN BANK	2.12	6/10/2022			25000000	100.53	25132000	103.84	25960851.25	163802.1	26124653.33	AA+	0.45
FEDERAL HOME LOAN BANK	5.25	6/10/2022			15000000	109.41	16411200	110.11	16516288.05	242812.5	16759100.55	AA+	0.29
FANNIE MAE	1.37	9/6/2022			25000000	99.65	24913000	102.41	25602523.5	23871.53	25626395.03	AA+	0.44
FEDERAL HOME LOAN BANK	2.5	12/9/2022			15000000	101.86	15279300	105.41	15811214.1	116666.7	15927880.77	AA+	0.27
FEDERAL HOME LOAN BANK	1.37	2/17/2023			27165000	99.82	27115016.4	102.69	27894699.44	45652.29	27940351.73	AA+	0.48
FEDERAL HOME LOAN BANK	2.12	6/9/2023			20000000	100.67	20133600	105.54	21107779	132222.2	21240001.22	AA+	0.37
FEDERAL HOME LOAN BANK	2.12	6/9/2023			10000000	100.82	10081800	105.54	10553889.5	66111.11	10620000.61	AA+	0.18
FEDERAL HOME LOAN BANK	2.87	6/14/2024			5000000	104.25	5212300	110.47	5523347.05	42725.69	5566072.74	AA+	0.1

FEDERAL HOME LOAN BANK	2.87	9/13/2024			4000000	109.77	4390630.56	109.91	4396353.96	5750	4402103.96	AA+	0.08
FANNIE MAE	1.62	10/15/2024			38200000	99.83	38134678	104.68	39989318.94	286234.7	40275553.66	AA+	0.7
FANNIE MAE	1.62	10/15/2024			12300000	104.08	12801308.71	104.68	12876141.96	92164.58	12968306.55	AA+	0.22
FANNIE MAE	1.62	1/7/2025			34900000	99.68	34788669	104.97	36634257.43	127603.1	36761860.56	AA+	0.64
FREDDIE MAC	1.5	2/12/2025			41535000	99.92	41503018.05	104.35	43341190.18	81339.37	43422529.55	AA+	0.75
FEDERAL HOME LOAN BANK	2.37	3/14/2025			18800000	106.99	20114381.11	109.39	20566153.97	21084.72	20587238.69	AA+	0.36
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					743220000		748027648.2		764830092	3951344	768781435.6		13.29

US INSTRUMENTALITIES

INTL BK RECON & DEVELOP	1.87	4/21/2020			10000000	99.91	9991300	100.08	10008258.8	83333.33	10091592.13	AAA	0.17
INTERNATIONAL BANK RECON & DEV	0	6/5/2020			25000000	99.25	24813395.75	99.99	24996840.25	0	24996840.25	AAA	0.43
INTER-AMERICAN DEVEL BK	1.87	6/16/2020			30000000	100.12	30034800	100.19	30056537.7	164062.5	30220600.2	AAA	0.52
INTER-AMERICAN DEVEL BK	1.87	6/16/2020			5889000	100.3	5906402	100.19	5900098.35	32205.47	5932303.82	AAA	0.1
IBRD DISCOUNT NOTE	0	6/19/2020			20000000	99.78	19956600	99.98	19996927.8	0	19996927.8	AAA	0.35
IBRD DISCOUNT NOTE	0	7/1/2020			10000000	99.77	9976888.89	99.98	9997725	0	9997725	AAA	0.17
INTER-AMERICAN DEVEL BK	1.84	7/15/2020			10000000	100.27	10026969.79	100.02	10001792.5	38870.83	10040663.33	AAA	0.17
INTL BK RECON & DEVELOP	1.12	8/10/2020			20000000	99.61	19922600	99.97	19993071.4	31875	20024946.4	AAA	0.35
INTL BK RECON & DEVELOP	1.12	8/10/2020			30000000	99.64	29893500	99.97	29989607.1	47812.5	30037419.6	AAA	0.52
INTL BK RECON & DEVELOP-FLTR	1.79	8/21/2020			15000000	100.08	15012000	100.03	15004516.2	432583.3	15437099.53	AAA	0.26
INTL BK RECON & DEVELOP-FLTR	1.79	8/21/2020			4685000	100.11	4690149.48	100.03	4686410.56	135110.2	4821520.75	AAA	0.08
INTL BK RECON & DEVELOP	1.62	9/4/2020			5000000	99.98	4998950	100.46	5022878.35	6093.75	5028972.1	AAA	0.09
INTL BK RECON & DEVELOP	1.62	9/4/2020			20000000	99.95	19990400	100.46	20091513.4	24375	20115888.4	AAA	0.35
INTL BK RECON & DEVELOP	1.62	9/4/2020			9000000	99.94	8995050	100.46	9041181.03	10968.75	9052149.78	AAA	0.16
INTERNATIONAL FIN. CORP	1.66	9/25/2020			50000000	100	50000000	99.99	49995166	13806.25	50008972.25	AAA	0.87
INTERNATIONAL FIN. CORP	1.6	10/9/2020			25000000	100	25000000	100.3	25074356.25	74444.44	25148800.69	AAA	0.44
INTL BK RECON & DEVELOP	1.95	10/13/2020			10000000	100.25	10025139.4	100.03	10003039.8	42204.07	10045243.87	AAA	0.17
INTERNATIONAL FIN. CORP	1.62	1/27/2021			25000000	100	25000000	100.61	25153514	72000	25225514	AAA	0.44
INTL BK RECON & DEVELOP	1.62	3/9/2021			20000000	99.85	19969400	101.32	20263768.8	19861.11	20283629.91	AAA	0.35
INTL BK RECON & DEVELOP	1.37	5/24/2021			20000000	99.74	19948000	100.99	20197200	97013.89	20294213.89	AAA	0.35
INTER-AMERICAN DEVEL BK-FRN	1.83	1/15/2022			10000000	100	10000000	99.96	9995548.4	38659.72	10034208.12	AAA	0.17
INTL BK RECON & DEVELOP	2	1/26/2022			10000000	99.46	9945700	102.56	10256300	36111.11	10292411.11	AAA	0.18
INTL BK RECON & DEVELOP	1.62	1/15/2025			15000000	99.77	14966177.08	104.52	15677669.7	51458.33	15729128.03	AAA	0.27
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					399574000		399063422.4		401403921.4	1452850	402856771		6.98

FLOATING RATE SECURITIES

APPLE INC.-FRN	1.8	5/11/2020			5000000	100	5000000	99.96	4998005.35	12255.99	5010261.34	AA+	0.09
BANK OF NY MELLON CORP.-FRN	2.56	8/17/2020			5000000	100	5000000	100.01	5000690.9	15299.34	5015990.24	A	0.09
TOYOTA MOTOR CREDIT CORP	1.85	8/21/2020			7000000	99.99	6998978	98.91	6924008.63	14357.78	6938366.41	AA-	0.12
TOYOTA MOTOR CREDIT CORP.-FRN	2.07	9/18/2020			10021000	99.97	10018494.75	99.04	9924433.64	7485.27	9931918.91	AA-	0.17
US BANK NA OHIO-FLT (A)	2.06	2/4/2021	1/4/2021	100	8000000	100	8000000	99.04	7923238.4	25649.62	7948888.02	A+	0.14
JOHN DEERE CAPITAL CORP	1.02	3/12/2021			9925000	100.08	9933237.75	97.11	9638271.61	30775.82	9669047.43	A	0.17
UNITED PARCEL SERVICE-FRN	2.06	4/1/2021			10000000	100	10000000	98.67	9867450	51484.5	9918934.5	A+	0.17
US BANK NA OHIO-FRN	2.11	4/26/2021			10000000	100	10000000	98.48	9848046.2	408144.5	10256190.74	AA-	0.17
WELLS FARGO BANK NA-FLTR (Q)	2.08	5/21/2021	5/21/2021	100	20000000	100	20000000	98.67	19734340	44980	19779320	A+	0.34
WELLS FARGO BANK NA-FRN (A)	2.31	7/23/2021	7/23/2020	100	13765000	100.28	13803129.05	97.48	13418521.18	59963.78	13478484.97	A+	0.23
WELLS FARGO BANK NA-FRN (A)	2.31	7/23/2021	7/23/2020	100	9000000	100.28	9024930	97.48	8773461	39206.25	8812667.25	A+	0.15
BANK OF AMERICA CORP. (1)	2.33	10/1/2021	10/1/2020	100	18000000	99.02	17823780	99.85	17973389.16	211848	18185237.16	A-	0.31
US BANK NA OHIO-FLT (A)	2.07	11/16/2021	10/15/2021	100	10000000	100	10000000	98.62	9862080	25321.39	9887401.39	A+	0.17
WELLS FARGO & COMPANY-FRN-1	2.66	2/11/2022	2/11/2021	100	10000000	100	10000000	98.08	9807570.1	36217.53	9843787.63	A+	0.17

APPLE INC.-FRN	2.08	5/11/2022			7500000	100.48	7536000	97.58	7318287.67	21242.32	7339529.99	AA+	0.13
UNITED PARCEL SERVICE-FRN	2.07	5/16/2022			5000000	100	5000000	95.72	4785824	12660.69	4798484.69	A+	0.08
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					158211000		158138549.6		155797617.9	1016893	156814510.7		2.71
CORPORATE BONDS													

BANK OF AMERICA CORP	5.62	7/1/2020			12000000	103.36	12403428	100.63	12075277.56	168750	12244027.56	A+	0.21
JOHN DEERE CAPITAL CORP.	2.37	7/14/2020			11035000	99.67	10999025.9	99.96	11030280.11	56056.27	11086336.38	A	0.19
ORACLE CORP.	3.87	7/15/2020			5000000	101.61	5080400	100.53	5026286.05	40902.78	5067188.83	AA-	0.09
ORACLE CORP.	3.87	7/15/2020			5909000	101.48	5996216.84	100.53	5940064.85	48338.9	5988403.76	AA-	0.1
ORACLE CORP.	3.87	7/15/2020			10000000	101.65	10164900	100.53	10052572.1	81805.56	10134377.66	AA-	0.17
HSBC USA INC.	2.75	8/7/2020			11310000	100.07	11317917	99.53	11256547.13	45286.61	11301833.74	A	0.2
PACCAR FINL. GROUP	2.5	8/14/2020			11500000	99.84	11481140	99.46	11438207.97	37534.72	11475742.69	A+	0.2
BANK OF NY MELLON (1)	2.6	8/17/2020	7/17/2020	100	18450000	99.76	18405535.5	100.19	18484557.22	58630	18543187.22	A	0.32
BANK OF NY MELLON (1)	2.6	8/17/2020	7/17/2020	100	13162000	100.27	13197800.64	100.19	13186652.69	41825.91	13228478.6	A	0.23
STATE STREET CORP	2.55	8/18/2020			15000000	99.96	14993550	100.16	15024295.65	45687.5	15069983.15	A	0.26
AMAZON.COM INC.	1.9	8/21/2020			10000000	99.21	9921100	99.96	9996036	21111.11	10017147.11	AA-	0.17
AMERICAN EXPRESS CREDIT CORP.	2.6	9/14/2020	8/14/2020	100	10000000	99.81	9981500	99.95	9994506.6	12277.78	10006784.38	A-	0.17
AMERICAN EXPRESS CREDIT CORP.	2.6	9/14/2020	8/14/2020	100	14000000	99.9	13986560	99.95	13992309.24	17188.89	14009498.13	A-	0.24
AMERICAN HONDA FINANCE CORP	2.45	9/24/2020			7000000	99.8	6986210	99.3	6951329.28	3334.72	6954664	A	0.12
VISA INC. (A)	2.2	12/14/2020	11/16/2020	100	10000000	99.67	9967400	100.39	10039137.8	65388.89	10104526.69	AA-	0.17
AMERICAN HONDA FINANCE	3.15	1/8/2021			10000000	100.89	10089000	100.67	10066659.6	72625	10139284.6	A	0.17
WELLS FARGO & COMPANY CB	2.6	1/15/2021			20000000	98.77	19753600	100.44	20087205.8	109777.8	20196983.58	A+	0.35
WELLS FARGO & COMPANY CB	2.6	1/15/2021			4000000	99.63	3985400	100.44	4017441.16	21955.56	4039396.72	A+	0.07
WELLS FARGO & COMPANY CB	2.6	1/15/2021			11000000	99.63	10959740	100.44	11047963.19	60377.78	11108340.97	A+	0.19
US BANK CORP (A)	2.35	1/29/2021	12/29/2020	100	20000000	99.64	19928000	99.71	19942097.2	80944.44	20023041.64	A+	0.35
US BANK NA OHIO (A)	3	2/4/2021	1/4/2021	100	10000000	99.92	9991900	100.64	10064018	47500	10111518	A+	0.17
CISCO SYSTEM INC	2.2	2/28/2021			22018000	100.14	22049705.92	100.45	22116445.34	44402.97	22160848.31	AA-	0.38
EXXON MOBIL CORP. (A)	2.22	3/1/2021	2/1/2021	100	15000000	99.59	14938500	100.65	15097548.45	27775	15125323.45	AA+	0.26
WELLS FARGO & COMPANY	2.5	3/4/2021			10000000	99.3	9930200	100.02	10001738	18750	10020488	A+	0.17
WELLS FARGO & COMPANY	2.5	3/4/2021			10000000	99.33	9932600	100.02	10001738	18750	10020488	A+	0.17
UNITED PARCEL SERVICE	2.05	4/1/2021			20000000	99.84	19968400	99.88	19975523.4	205000	20180523.4	A+	0.35
BANK OF NEW YORK MELLON CORP.	2.5	4/15/2021	3/15/2021	100	20000000	99.7	19941000	99.94	19988237.2	233333.3	20221570.53	A	0.35
PACCAR FINL. GROUP	3.1	5/10/2021			5045000	100.81	5085864.5	100.49	5069698	61254.71	5130952.71	A+	0.09
PFIZER INC	1.95	6/3/2021			10000000	98.94	9893700	100.72	10072338.7	63916.67	10136255.37	AA	0.18
WELLS FARGO BANK NA	3.32	7/23/2021	7/23/2020	100	5000000	100.56	5028000	100.17	5008359.6	31402.78	5039762.38	A+	0.09
JP MORGAN CHASE & CO.	4.35	8/15/2021			20000000	103.46	20692200	102.56	20512138.6	111166.7	20623305.27	A-	0.36
ORACLE CORP	1.9	9/15/2021	8/15/2021	100	5000000	98.43	4921450	100.29	5014732.95	4222.22	5018955.17	AA-	0.09
CISCO SYSTEMS INC. (A)	1.85	9/20/2021	8/20/2021	100	23337000	98.48	22981344.12	100.68	23495761.38	13191.89	23508953.27	AA-	0.41
3M COMPANY	2.75	3/1/2022			10000000	99.95	9995300	100.74	10073785.8	22916.67	10096702.47	AA-	0.18
CHEVRON CORP. (A)	2.5	3/3/2022	2/3/2022	100	16629000	99.83	16601063.28	101.49	16877160.55	32308.3	16909468.85	AA	0.29
IBM CORP.	2.85	5/13/2022			25000000	102.12	25530312.5	102.55	25638392	269166.7	25907558.67	A	0.45
PROCTER & GAMBLE	2.15	8/11/2022			20000000	100.01	20002200	102.07	20413947.6	59722.22	20473669.82	AA-	0.35
EXXON MOBIL CORP.	1.9	8/16/2022			4325000	100	4325000	100.34	4339765.85	10282.69	4350048.54	AA+	0.08
APPLE INC	1.7	9/11/2022			9465000	99.98	9463390.95	101.74	9629222.39	8939.17	9638161.55	AA+	0.17
GOLDMAN SACHS GROUP INC	3.62	1/22/2023			10000000	104.24	10424100	102.62	10262218.8	69479.17	10331697.97	BBB+	0.18
JP MORGAN CHASE & CO	3.2	1/25/2023			14300000	103.55	14807650	102.88	14711376.39	83893.33	14795269.73	A-	0.26
ADOBE INC.	1.7	2/1/2023			4520000	99.86	4513807.6	100.64	4548856.9	12379.78	4561236.68	A	0.08
PACCAR FINANCIAL CORP.	1.9	2/7/2023			15000000	99.99	14999250	98.66	14798976.3	42750	14841726.3	A+	0.26
PNC BANK NA - 1	1.74	2/24/2023	2/24/2022	100	7380000	100	7380000	98.41	7262414.46	12863.34	7275277.8	A	0.13
BB&T CORP.	2.2	3/16/2023			10000000	99.93	9992600	100.06	10006056.5	9166.67	10015223.17	A-	0.17
AMERICAN HONDA FINANCE	1.95	5/10/2023			18180000	99.96	18173273.4	97.52	17729417.24	79764.75	17809181.99	A	0.31

UNITED HEALTH GROUP INC.	3.5	6/15/2023			4700000	104.79	4925177	105.04	4936869	48436.11	4985305.11	A+	0.09
TOYOTA MOTOR CREDIT CORP	2.25	10/18/2023			10000000	102.28	10227525	98.04	9803669.8	101875	9905544.8	AA-	0.17
ABBOTT LABORATORIES (A)	3.4	11/30/2023	9/30/2023	100	10000000	109.1	10909744.44	104.94	10494214.4	113333.3	10607547.73	A-	0.18
CHARLES SCHWAB CORP	3.55	2/1/2024			10000000	105.5	10550000	105.17	10517080.8	59166.67	10576247.47	A	0.18
BANK OF NY MELLON CORP.	3.65	2/4/2024			5000000	106.31	5315650	105.38	5269044.05	28895.83	5297939.88	A	0.09
AMERICAN EXPRESS CO (1)	3.4	2/22/2024	1/22/2024	100	10000000	103.82	10382500	104.29	10428538.1	36833.33	10465371.43	BBB+	0.18
BANK OF AMERICA CORP.	4	4/1/2024			10000000	106.68	10668400	105.99	10598841.3	200000	10798841.3	A-	0.18
IBM CORP	3	5/15/2024			5000000	106.51	5325716.67	105.35	5267633.3	56666.67	5324299.97	A	0.09
CATERPILLAR FINANCIAL SERVICE	2.85	5/17/2024			4785000	102.97	4927018.8	102.2	4890070.13	50760.87	4940831.01	A	0.08
AMERICAN HONDA FINANCE	2.4	6/27/2024			10000000	99.55	9954600	98.56	9855679	62666.67	9918345.67	A	0.17
GOLDMAN SACHS GROUP INC.(A)	3.85	7/8/2024	4/8/2024	100	9500000	105.49	10021835	104.26	9904837.56	84325.69	9989163.25	BBB+	0.17
GOLDMAN SACHS GROUP INC.(A)	3.85	7/8/2024	4/8/2024	100	9990000	107.95	10783969.13	104.26	10415718.66	88675.12	10504393.78	BBB+	0.18
BANK OF AMERICA CORP. (1)	3.86	7/23/2024			5000000	105.18	5258950	104.63	5231408.65	36493.33	5267901.98	A-	0.09
BANK OF AMERICA CORP. (1)	3.86	7/23/2024			5000000	107.15	5357533.33	104.63	5231408.65	36493.33	5267901.98	A-	0.09
US BANCORP (A)	2.4	7/30/2024	6/28/2024	100	10000000	99.91	9991100	99.96	9995572.5	40000	10035572.5	A-	0.17
BB&T CORP. (A)	2.5	8/1/2024	7/1/2024	100	15000000	99.86	14979750	98.62	14792803.5	62500	14855303.5	A-	0.26
PACCAR FINANCIAL CORP.	2.15	8/15/2024			8000000	100.13	8010560	97.16	7772620.72	21977.78	7794598.5	A+	0.14
UNITED HEALTH GROUP INC.	2.37	8/15/2024			5000000	100.47	5023500	102.29	5114725.65	15173.61	5129899.26	A+	0.09
WALT DISNEY CO. (A)	1.75	8/30/2024	7/30/2020	100	9115000	99.59	9077810.8	100.2	9133130.01	14621.98	9147751.99	A	0.16
BANK OF NY MELLON CORP.	2.1	10/24/2024			10785000	100.99	10891591.75	100.6	10849895.61	98772.62	10948668.23	A	0.19
PNC FINANCIAL SERVICES	2.2	11/1/2024			5000000	100.01	5000488.89	102.5	5125163.1	45833.33	5170996.43	A-	0.09
PNC FINANCIAL SERVICES	2.2	11/1/2024			10000000	99.82	9981744.44	102.5	10250326.2	91666.67	10341992.87	A-	0.18
CATERPILLAR FINL SERVICE	2.15	11/8/2024			10000000	99.84	9983980.56	100.44	10044452.2	85402.78	10129854.98	A	0.17
CATERPILLAR FINL SERVICE	2.15	11/8/2024			25000000	100.61	25152548.61	100.44	25111130.5	213506.9	25324637.44	A	0.44
JOHN DEERE CAPITAL CORP	2.05	1/9/2025			12000000	100.12	12014180	97.77	11732986.92	56033.33	11789020.25	A	0.2
JP MORGAN CHASE & CO (A)	3.12	1/23/2025			7500000	106.44	7982761.46	103.73	7780055.47	44270.83	7824326.31	A-	0.14
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					805940000		813859872		812907171.4	4478481	817385652.4		14.13
MONEY MARKET FUNDS													

DREYFUS	0	4/1/2020			30000000	100	30000000	100	30000000	0.01	30000000.01	AAA	0.52
DREYFUS	0	4/1/2020			3798904	100	3798903.9	100	3798903.8	0	3798903.8	AAA	0.07
					------------	------------	--------------	--------------	--------------	------			
					33798904		33798903.9		33798903.8	0.01	33798903.81		0.59
ASSET BACKED SECURITIES													

MERCEDES-BENZ AUTO LEASE TRUST	1.84	12/15/2022			13430000	99.99	13428229.93	97.92	13150656	10982.76	13161638.76	AAA	0.23
FORD CREDIT AUTO LEASE	1.85	3/15/2023			9975000	100	9974515.22	98.88	9863280	8201.67	9871481.67	AAA	0.17
TOYOTA AUTO RECEIVABLES A3	1.66	5/15/2024			18315000	99.99	18313677.66	96.55	17683132.5	13512.4	17696644.9	AAA	0.31
GM FINANCIAL	1.84	9/16/2024			10165000	99.98	10162606.14	96.3	9788895	7793.17	9796688.17	AAA	0.17
HARLEY DAVIDSON TRUST (A)	2.35	10/15/2024			9200000	99.98	9197993.48	102.32	9413440	9608.89	9423048.89	AAA	0.16
TOYOTA AUTO RECEIVABLES	2.6	11/15/2024			14260000	102.02	14547428.13	101.23	14435398	16478.22	14451876.22	AAA	0.25
CARMAX A3	1.89	12/16/2024			11120000	99.98	11117818.26	99.44	11057728	9340.8	11067068.8	AAA	0.19
					------------	------------	--------------	--------------	--------------	------			
					86465000		86742268.82		85392529.5	75917.9	85468447.4		1.48
MUNICIPAL BONDS													

CALIFORNIA STATE TAXBL	3.4	8/1/2023			10000000	104.35	10434900	106.08	10608000	56666.67	10664666.67	AA-	0.18
SAN DIEGO CCD	2	8/1/2023			5790000	100	5790000	102.29	5922706.8	19261.4	5941968.2	AAA	0.1
CHAFFEY JT UN HSD	2.1	8/1/2024			1860000	100	1860000	103.29	1921212.6	6513.1	1927725.7	AA-	0.03

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	17650000	18084900	18451919.4	82441.17	18534360.57		0.32
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TOTAL PORTFOLIO	5615298904	5662002930	5753575347	26414416	5779989763		100
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** TOTAL COST DOES NOT REFLECT AMORTIZATIONS OR ACCRETIONS BUT INCLUDES PURCHASED ACCRUED INTEREST. MARKET PRICES ARE DOWNLOADED THROUGH (IDC) INTERACTIVE DATA CORP.

DIVERSIFICATION BY ISSUER

	Asset-Backed	Cert. of Deposit	Comm. Paper	Corp. Floaters	Corp. Bonds	Municipal Bonds	Total Par Value	Total %
3M Company					$10,000,000		$10,000,000	0.18%
Abbott Laboratories					$10,000,000		$10,000,000	0.18%
Adobe Inc.					$4,520,000		$4,520,000	0.08%
Amazon					$10,000,000		$10,000,000	0.18%
American Express					$34,000,000		$34,000,000	0.61%
American Honda Finance					$45,180,000		$45,180,000	0.80%
Apple Inc.				$12,500,000	$9,465,000		$21,965,000	0.39%
Bank of America				$18,000,000	$32,000,000		$50,000,000	0.89%
Bank of New York				$5,000,000	$67,397,000		$72,397,000	1.29%
Bank of Nova Scotia		$25,000,000					$25,000,000	0.45%
BB&T Corporation					$25,000,000		$25,000,000	0.45%
CA Municipal Obligation						$10,000,000	$10,000,000	0.18%
Carmax	$11,120,000						$11,120,000	0.20%
Caterpillar					$39,785,000		$39,785,000	0.71%
Chaffey JT Union HSD						$1,860,000	$1,860,000	0.03%
Charles Schwab Corp.					$10,000,000		$10,000,000	0.18%
Chevron					$16,629,000		$16,629,000	0.30%
Cisco Systems					$45,355,000		$45,355,000	0.81%
Cooperatieve Rabobank		$25,000,000					$25,000,000	0.45%
Credit Agricole		$25,000,000					$25,000,000	0.45%
DNB Nor Bank ASA		$50,000,000					$50,000,000	0.89%
Exxon Mobil					$19,325,000		$19,325,000	0.34%
Ford Credit Auto	$9,975,000						$9,975,000	0.18%
GM Financial	$10,165,000						$10,165,000	0.18%
Goldman Sachs					$29,490,000		$29,490,000	0.53%
Harley Davidson	$9,200,000						$9,200,000	0.16%
HSBC Bank USA		$10,000,000			$11,310,000		$21,310,000	0.38%
IBM Corp.					$30,000,000		$30,000,000	0.53%
John Deere				$9,925,000	$23,035,000		$32,960,000	0.59%
JP Morgan					$41,800,000		$41,800,000	0.74%
Mercedes-Benze Auto Lease	$13,430,000						$13,430,000	0.24%
Mizuho Bank		$25,000,000					$25,000,000	0.45%
MUFG Union Bank			$25,000,000				$25,000,000	0.45%
Nordea Bank APB NY		$75,000,000					$75,000,000	1.34%
Oracle					$25,909,000		$25,909,000	0.46%
Paccar Financial Group					$39,545,000		$39,545,000	0.70%
Pfizer Inc.					$10,000,000		$10,000,000	0.18%
PNC Financial Services					$22,380,000		$22,380,000	0.40%
Proctor & Gamble					$20,000,000		$20,000,000	0.36%
San Diego CA CCD						$5,790,000	$5,790,000	0.10%
Skandinaviska Enskilda BK NY		$50,000,000					$50,000,000	0.89%
Societe Generale		$35,000,000					$35,000,000	0.62%
State Street Bank					$15,000,000		$15,000,000	0.27%
Sumitomo Mitsui Bank Corp.		$25,000,000					$25,000,000	0.45%
Svenska Handelsbanken		$25,000,000					$25,000,000	0.45%
Swedbank		$45,000,000					$45,000,000	0.80%
Toyota Motor Company	$32,575,000			$17,021,000	$10,000,000		$59,596,000	1.06%
United Health Group Inc.					$9,700,000		$9,700,000	0.17%
United Parcel Service				$15,000,000	$20,000,000		$35,000,000	0.62%
US Bank				$28,000,000	$40,000,000		$68,000,000	1.21%
Visa Inc.					$10,000,000		$10,000,000	0.18%
Walt Disney Co.					$9,115,000		$9,115,000	0.16%
Wells Fargo				$52,765,000	$60,000,000		$112,765,000	2.01%
Grand Total	**$86,465,000**	**$415,000,000**	**$25,000,000**	**$158,211,000**	**$805,940,000**	**$17,650,000**	$1,508,266,000	26.86%

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
CASH IN:													
Taxes:													
Secured	$222,583	$5,410	$1,441	$3,800	$0	$73	$177,940	$221,694	$302,869	$33,733	$45,225	$144,308	**$1,159,077**
Mixed	$443,774	$16,371	$15,189	$9,459	$115,893	$904	$114,839	$311,451	$605,490	$36,241	$63,234	$165,979	**$1,898,823**
Automatics	$77,097	$65,785	$34,386	$41,197	$54,105	$56,291	$62,937	$2,972	$51,709	$8,602	$61,700	$60,585	**$577,366**
Unscheduled Sub. (Lockbox)	$15,856	$7,093	$46,639	$31,992	$5,596	$18,505	$24,771	$18,584	$20,956	$21,883	$9,227	$33,578	**$254,680**
Treasurer's Deposit	$63,377	$79,806	$132,832	$74,864	$119,160	$78,202	$74,606	$117,731	$87,432	$58,680	$63,128	$88,783	**$1,038,601**
Hospitals (Treasurer's Office)	$67,461	$9,953	$12,047	$14,868	$12,650	$13,852	$62,630	$10,470	$12,453	$35,171	$13,422	$14,590	**$279,567**
Revenue Services	$272	$174	$857	$857	$234	$276	$310	$217	$764	$215	$221	$119	**$4,516**
Retirement Deposit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$16,000	**$16,000**
Housing Authority	$3,333	$3,549	$4,759	$8,107	$2,458	$7,170	$2,048	$3,402	$2,593	$4,926	$3,984	$3,454	**$49,783**
TRAN	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Other Deposits	$8,932	$2,599	$11,086	$9,886	$6,350	$14,726	$8,486	$11,395	$1,455	$15,435	$1,743	$1,765	**$93,858**
Bond/BANS Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Coupon Interest	$9,874	$9,672	$9,799	$9,785	$8,338	$2,435	$9,503	$3,185	$10,126	$3,211	$2,568	$11,268	**$89,764**
LAIF Withdrawal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
TOTAL CASH IN:	$912,559	$200,412	$269,035	$204,815	$324,784	$192,434	$538,070	$701,101	$1,095,847	$218,097	$264,452	$540,429	**$5,462,035**
CASH OUT:													
Tax Apportionments:	($141,441)	$0	$0	$0	($2,013)	$0	$0	$0	($167,111)	($69,371)	$0	($13,829)	**($393,765)**
Outside Withdrawals	($44,739)	($46,093)	($65,736)	($57,561)	($20,515)	($35,959)	($30,170)	($25,411)	($124,564)	($59,592)	($36,108)	($30,003)	**($576,451)**
Returned Checks/Miscellaneous	($10)	$0	($16)	($10)	($5)	($31)	($166)	($14)	($131)	($19)	($65)	($50)	**($516)**
TRAN	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		**$0**
Other Payments	($15,863)	($20,845)	($72,302)	($40,286)	($16,286)	($2,479)	($32,224)	($37,170)	($49,376)	($47,727)	($11,262)	($57,391)	**($403,210)**
GO Bond/BANS Payments	($2,436)	$0	($48,040)	($48,122)	($84,265)	($94,003)	($5,733)	$0	$0	$0	($22,378)	($23,671)	**($328,648)**
Housing Authority	($4,977)	($4,450)	($4,284)	($5,854)	($4,993)	($4,662)	($24,627)	($6,398)	($3,179)	($4,454)	($3,861)	($3,921)	**($75,660)**
Payroll - County	($50,243)	($50,633)	($59,263)	($68,965)	($51,044)	($44,151)	($67,321)	($50,591)	($49,927)	($50,870)	($49,625)	($58,295)	**($650,929)**
Schools	($72,508)	($42,588)	($101,899)	($37,444)	($53,800)	($44,641)	($72,015)	($31,814)	($79,907)	($16,332)	($72,102)	($98,183)	**($723,233)**
Retirement	($19,216)	($19,126)	($19,486)	($59,578)	($19,017)	($16,543)	($19,358)	($19,258)	($19,141)	($19,141)	($16,268)	($19,462)	**($265,595)**
School Vendors	($49,700)	($59,852)	($70,654)	($69,270)	($75,059)	($60,713)	($68,892)	($46,209)	($53,660)	($29,790)	($61,783)	($48,173)	**($693,755)**
Controllers 10090	($79,202)	($64,929)	($92,730)	($114,396)	($61,855)	($86,147)	($67,480)	($72,318)	($64,759)	($81,632)	($211,827)	($90,147)	**($1,087,423)**
SMCCCD	($22,224)	($14,266)	($6,364)	($21,028)	($17,737)	($18,039)	($20,771)	($13,880)	($30,356)	($21,926)	($28,894)	($12,988)	**($228,473)**
Other ARS Debits	($22,229)	($18,186)	($29,925)	($25,222)	($30,956)	($25,556)	($19,079)	($20,273)	($18,953)	($16,240)	($27,562)	($26,985)	**($281,165)**
LAIF	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		**$0**
TOTAL CASH OUT:	($524,788)	($340,968)	($570,699)	($547,736)	($437,545)	($432,925)	($427,836)	($323,336)	($661,064)	($417,094)	($541,735)	($483,099)	**($5,708,824)**
TOTAL ESTIMATED CASH FLOW	$387,771	($140,556)	($301,663)	($342,921)	($112,761)	($240,491)	$110,234	$377,766	$434,784	($198,997)	($277,283)	$57,330	**($246,788)**
MATURING SECURITIES (SMC)	**$10,000**	**$108,520**	**$150,539**	**$115,000**	**$209,685**	**$109,500**	**$62,000**	**$0**	**$0**	**$25,000**	**$10,000**	**$30,000**	**$830,244**
LAIF/CAMP/REPO (SMC)	**$405,000**												
CALLABLE SECURITIES (SMC)	**$0**	**$20,000**	**$15,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$35,000**

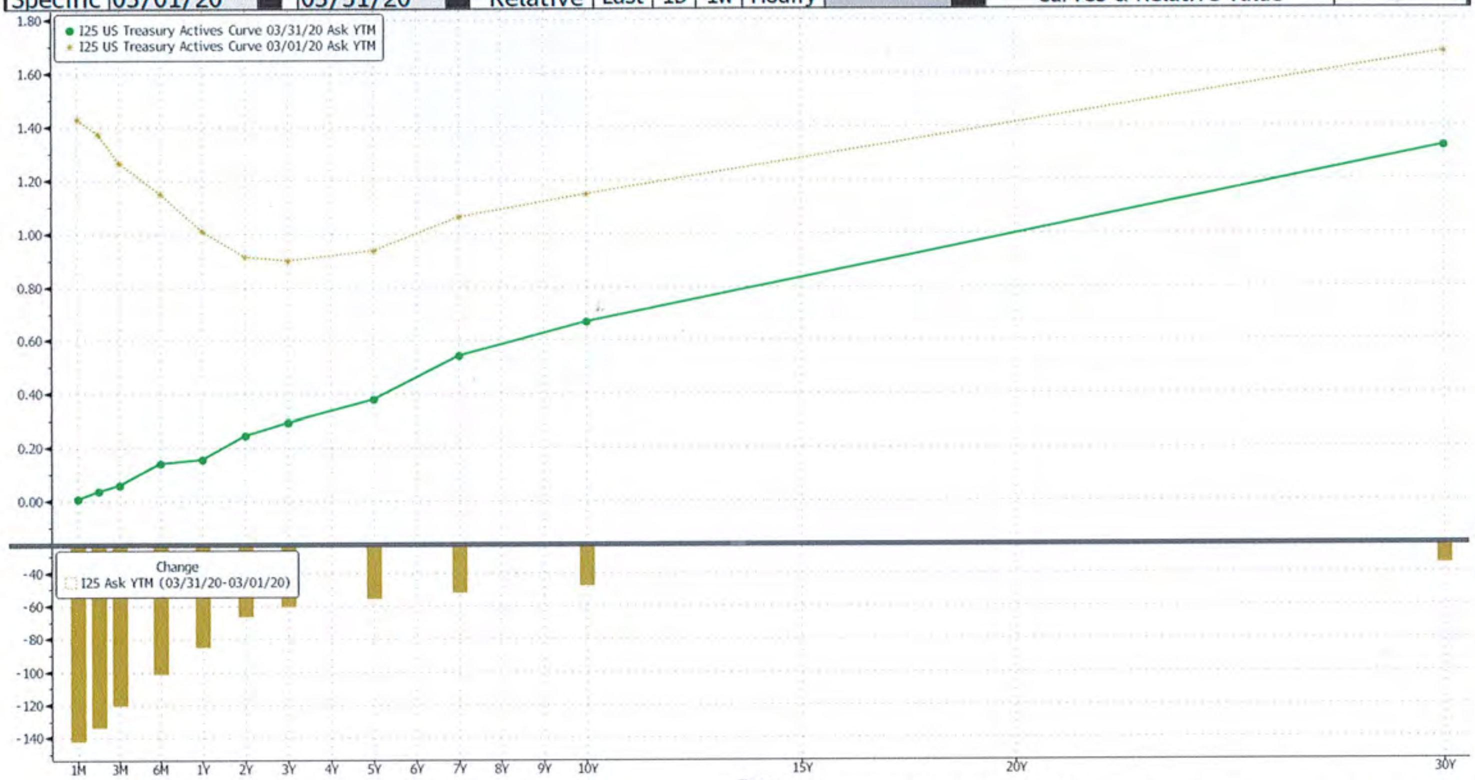
Figures may not total to net figures due to rounding. Maturities exclude overnight vehicles and PFM held Securities. Please note: Securities held by PFM are readily available upon direction of the Treasurer.

Running as C15. Run GC for more features.

US Treasury Actives Curve | Actions | 98) Table | Export | Settings | Graph Curves

X-Axis Tenor Y-Axis Ask YTM Currency None PCS Lower Chart History Chart

Specific 03/01/20 03/31/20 Relative Last 1D 1W Modify Curves & Relative Value



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