

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 11, 2022

NEW ISSUE – FULL BOOK-ENTRY

INSURED] RATING: S&P: “AA”  
UNDERLYING RATING: S&P: “A+”  
(See “RATINGS” herein)

In the opinion of Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes. In addition, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. Bond Counsel expresses no other opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. See “TAX MATTERS” herein.



\$8,000,000\*  
RIVERBANK UNIFIED SCHOOL DISTRICT  
(Stanislaus County, California)  
GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES B

Dated: Date of Delivery

Due: August 1, as shown herein

**Issuance.** The \$8,000,000\* General Obligation Bonds, Election of 2018, Series B (the “Bonds”) are being issued by the Riverbank Unified School District (the “District”), located in Stanislaus County (the “County”), California, pursuant to a resolution of the District adopted on September 20, 2022 (the “Resolution”), and certain provisions of the Government and Education Codes of the State of California (the “State”).

**Authorization.** The Bonds were authorized at an election of the registered voters of the District held on November 6, 2018, at which election greater than 55% of the voters voting on the proposition authorized the issuance of up to \$19.1 million in aggregate principal amount of general obligation bonds (the “2018 Authorization”) for the purpose of financing the construction, repair, modernization, acquisition, and equipping of school classrooms, facilities, and school sites within the District. The Bonds are the second series of bonds issued under the 2018 Authorization.

**Purpose.** The Bonds are being issued to (i) finance or reimburse the costs of construction, repair, modernization, acquisition, and equipping of school classrooms, facilities, and school sites within the District; (ii) fund capitalized interest on the Bonds; and (iii) pay costs of issuance of the Bonds. See “THE BONDS – Authority for Issuance” and “THE BONDS – Purpose of Issue” herein.

**Security.** The Bonds are general obligations of the District, payable solely from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is empowered and obligated to levy and collect *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the District’s payment of principal of and interest on the Bonds, all as more fully described herein. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS” herein.

**Book-Entry Only.** The Bonds will be issued in book-entry only form and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of Bonds will be made in book-entry only form. Purchasers will not receive physical delivery of the Bonds purchased by them.

**Payments.** The Bonds are dated the date of delivery and are being issued as Current Interest Serial Bonds and/or Current Interest Term Bonds (all as defined herein). The Bonds shall be issued in denominations of \$5,000 principal amount and integral multiples thereof and accrue interest from the dated date at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing February 1, 2023. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”) to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds.

MATURITY SCHEDULE  
(See Inside Front Cover)

**Redemption.** The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See “THE BONDS – Redemption” herein.

**Insurance.** The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP.



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

The Bonds will be offered when, as and if issued by the District and received by the Underwriter, subject to the approval of legality by Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the District by Lozano Smith, LLP, as counsel to the District and as Disclosure Counsel to the District, and for the Underwriter by Kutak Rock LLP, Irvine, California. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC in New York, New York, on or about November 3, 2022.



The date of this Official Statement is \_\_\_\_\_.

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to 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 prior to registration or qualification under the securities laws of such jurisdiction.

**MATURITY SCHEDULE**

**\$8,000,000\***

**RIVERBANK UNIFIED SCHOOL DISTRICT**

**(Stanislaus County, California)**

**GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES B**

**BASE CUSIP<sup>†</sup>: 768569**

<b>Maturity Date (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP<sup>†</sup></b>
-------------------------------------	-----------------------------	--------------------------	--------------	--------------------------

\$ \_\_\_\_\_ \* \_\_\_% Term Bond maturing August 1, 20\_\_ — yield \_\_%. CUSIP<sup>†</sup>: \_\_

\$ \_\_\_\_\_ \* \_\_\_% Term Bond maturing August 1, 20\_\_ — yield \_\_%. CUSIP<sup>†</sup>: \_\_

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2022 CUSIP Global Services. All rights reserved. CUSIP® numbers are provided for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter, the District, the County, Bond Counsel, Disclosure Counsel, or the Financial Advisor are responsible for the selection or correctness of the CUSIP® numbers set forth above.

\* Preliminary; subject to change.

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

**Involvement of Insurer.** Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE” and “APPENDIX H - Specimen Municipal Bond Insurance Policy”.

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

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

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

**Rule 15c2-12.** For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (“Rule 15c2-12”), this Preliminary Official Statement constitutes an “official statement” of the District with respect to the Bonds that has been deemed “final” by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

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

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

**RIVERBANK UNIFIED SCHOOL DISTRICT  
STANISLAUS COUNTY  
STATE OF CALIFORNIA**

**DISTRICT BOARD OF TRUSTEES**

*Ernest Velasco, President*  
*Diana Gonzales, Clerk*  
*Elizabeth Meza, Member*  
*Susan Taylor, Member*  
*Ana Vigil, Member*

**DISTRICT ADMINISTRATION**

*Christine Facella, Superintendent*  
*Arturo Martinez, Chief Business Official*

---

**FINANCIAL ADVISOR**

*Dale Scott & Company Inc.*  
*San Francisco, California*

**BOND COUNSEL and DISCLOSURE COUNSEL**

*Lozano Smith, LLP*  
*Sacramento, California*

**PAYING AGENT**

*U.S. Bank Trust Company, National Association*  
*Los Angeles, California*

**UNDERWRITER'S COUNSEL**

*Kutak Rock LLP*  
*Irvine, California*

## TABLE OF CONTENTS

INTRODUCTION .....	1
General.....	1
The District .....	2
Continuing Disclosure .....	2
Tax Matters.....	2
Municipal Bond Insurance .....	3
COVID-19 Statement.....	3
THE BONDS.....	3
Authority for Issuance .....	3
Purpose of Issue.....	3
Form and Registration .....	4
Payment of Principal and Interest.....	4
Paying Agent.....	5
Redemption.....	5
Transfer and Exchange .....	7
Defeasance of Bonds .....	7
Unclaimed Monies .....	8
Security for the Bonds.....	8
Application and Investment of Bond Proceeds.....	8
Estimated Sources and Uses of Funds.....	9
The Series B Project .....	9
DEBT SERVICE SCHEDULE.....	10
Other General Obligation Bonds .....	11
Aggregate Debt Service .....	12
BOND INSURANCE .....	13
Bond Insurance Policy .....	13
Assured Guaranty Municipal Corp. ....	13
SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.....	15
General.....	15
Property Taxation System .....	16
Pledge of Tax Revenues and Statutory Lien .....	16
Assessed Valuation of Property .....	17
Bonding Capacity .....	23
Tax Rates.....	24
Property Tax Collections .....	24
Largest Secured Property Taxpayers in District.....	25
Overlapping Debt Obligations .....	26
STANISLAUS COUNTY INVESTMENT POOL .....	27
TAX MATTERS .....	28
Tax Exemption .....	28
Form of Opinion .....	30

## TABLE OF CONTENTS

OTHER LEGAL MATTERS .....	30
Legality for Investment.....	30
Absence of Material Litigation .....	30
Professionals Involved in the Offering.....	30
Possible Limitations on Remedies.....	31
CONTINUING DISCLOSURE .....	31
RATINGS .....	32
UNDERWRITING.....	33
PAYING AGENT .....	33
ADDITIONAL INFORMATION .....	34
APPENDIX A – INFORMATION RELATING TO THE DISTRICT’S FINANCES AND OPERATIONS .....	A-1
APPENDIX B – AREA ECONOMIC AND DEMOGRAPHIC INFORMATION .....	B-1
APPENDIX C – AUDIT REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021 .....	C-1
APPENDIX D – FORM OF OPINION OF BOND COUNSEL.....	D-1
APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.....	E-1
APPENDIX F – DTC AND THE BOOK-ENTRY SYSTEM .....	F-1
APPENDIX G – STANISLAUS COUNTY INVESTMENT POLICY AND INVESTMENT REPORT.....	G-1
APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY .....	H-1

**\$8,000,000\***  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**(Stanislaus County, California)**  
**GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES B**

**INTRODUCTION**

*This Introduction is not a summary of the Official Statement. It is only a brief description of, and guide to, and is qualified by, more complete and detailed information contained in the remainder of the Official Statement and the documents summarized or described in this Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, and potential investors should thoroughly review it prior to purchasing the captioned Bonds.*

**General**

The purpose of this Official Statement, which includes the cover pages, the inside cover pages, and all appendices hereto (the “Official Statement”), is to provide certain information concerning the issuance, sale and delivery of the Riverbank Unified School District (Stanislaus County, California) (the “District”), General Obligation Bonds, Election of 2018, Series B (the “Bonds”).

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificate to be executed by the District. See “CONTINUING DISCLOSURE” herein.

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

The information set forth herein has been obtained from official sources that 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.

Copies of documents referred to herein and information concerning the Bonds are available from the office of the financial advisor (the “Financial Advisor”), Dale Scott & Company Inc., 650 California Street,

---

\* Preliminary; subject to change.

8<sup>th</sup> Floor, San Francisco, California 94108, telephone: (415) 956-1030, or from the Superintendent, Riverbank Unified School District, 6715 Seventh Street, Riverbank, California 95367, telephone: (209) 869-2538. The District may impose a charge for copying, mailing, and handling.

## **The District**

The District is a unified school district serving students in Stanislaus County (the “County”), in the State of California (the “State”). The District was organized in 1919 and unified on July 1, 1998. It is located on the southern bank of the Stanislaus River and serves two community sectors: the City of Riverbank and the agricultural area that surrounds the City of Riverbank. The District currently operates two elementary schools, one middle school, one high school, one continuation high school, an independent study program, and one charter school. The District has projected current student enrollment of 2,350 students, pursuant to its most recent operating budget (for fiscal year 2022-23). The 2021-22 total assessed value of property in the District is \$1,189,639,335.

The District is governed by a five-member board of trustees (the “Board of Trustees”), each member of which is elected to a four-year term. Elections for positions on the Board of Trustees 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 of Trustees who is responsible for day to day District operations as well as the supervision of the District’s other personnel. For additional information about the District, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S FINANCES AND OPERATIONS” and APPENDIX C – “AUDIT REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2021.”

## **Continuing Disclosure**

The District has covenanted for the benefit of the holders and Owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) by no later than nine months following the end of the District’s fiscal year, and to provide notices of the occurrence of certain enumerated events. See “CONTINUING DISCLOSURE” and APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE” herein.

## **Tax Matters**

In the opinion of Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes. In addition, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. Bond Counsel expresses no other opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. See “TAX MATTERS” herein.



## **Municipal Bond Insurance**

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. (“AGM”) will issue its municipal bond insurance policy for the Bonds (the “Policy”). The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under the Policy. The form of the Policy is set forth as APPENDIX H to this Official Statement. See “BOND INSURANCE” herein.

## **COVID-19 Statement**

The COVID-19 pandemic is a public health crisis that has been ongoing since March of 2020. Though infections of SARS-COV-2, the virus which causes COVID-19, and its subvariants, have fallen in recent months due in part to widespread administration of vaccines, investors continue to be cautioned that the District cannot predict the full impacts that the COVID-19 pandemic may have had or will continue to have, either directly or indirectly, on its operations, including its finances, property values and other matters. For more disclosure regarding the COVID-19 pandemic, see “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Assessed Valuation of Property within the District – COVID-19” and, in APPENDIX A, under the heading “THE DISTRICT – Impact to District Operations and Budget Due to Coronavirus Pandemic,” among others.

## **THE BONDS**

### **Authority for Issuance**

The Bonds are issued under the provisions of Article 4.5 (commencing with Section 53506) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and other applicable provisions of law (the “Bond Law”), and a resolution adopted by the Board of Trustees on September 20, 2022 (the “Resolution”), providing for the issuance of the Bonds.

The Bonds were authorized at an election of the registered voters of the District held on November 6, 2018 (the “2018 Bond Election”), at which election greater than 55% of the voters voting on the proposition authorized the issuance of up to \$19,100,000 aggregate principal amount of general obligation bonds (the “2018 Authorization”) for the purpose of financing the construction, renovation, modernization, and equipping of the District’s school facilities. The Bonds will be the second series of bonds issued under the 2018 Authorization.

Capitalized undefined terms used in this Official Statement have the meanings ascribed thereto in the Resolution.

### **Purpose of Issue**

The Bonds are being issued to (i) to finance or reimburse the costs of construction, repair, modernization, acquisition, and equipping of school classrooms, facilities, and school sites within the District; (ii) to fund capitalized interest on the Bonds\*; and (iii) to pay costs of issuance of the Bonds. See

---

\* Preliminary, subject to change.

“THE BONDS – Authority for Issuance,” “Estimated Sources and Uses of Funds,” and “Application and Investment of Bond Proceeds” herein.

## **Form and Registration**

The Bonds will be dated their date of delivery (the “Delivery Date”) and will be issued as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof, dated as of the Delivery Date, and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See APPENDIX F—“DTC AND THE BOOK-ENTRY SYSTEM.”

## **Payment of Principal and Interest**

The Bonds will be issued as current interest serial and/or term bonds as set forth on the inside front cover hereof.

**Interest.** The Bonds will be dated as of their date of delivery, and bear interest at the rates set forth on the inside front cover page of this Official Statement, payable on February 1 and August 1 of each year, commencing on February 1, 2023\* (each, an “Interest Payment Date”), computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date (the “Record Date”) and on or prior to the succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds.

**Payment of Bonds.** Interest on the Bonds (including the final interest payment upon maturity or redemption) is payable in lawful money of the United States of America by check or draft mailed to the Owner thereof at such Owner’s address as it appears on the Bond Register at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date by wire transfer to such account as shall be specified in such written request. Principal of, and premium (if any) on the Bonds is payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent.

---

\* Preliminary; subject to change.

## Paying Agent

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

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

## Redemption

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

**Mandatory Sinking Fund Redemption of the Bonds.\*** The Term Bonds maturing on August 1, 20\_\_ and August 1, 20\_\_, are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

<b>Term Bond Maturing August 1, 20__</b>	
<b>Redemption Date (August 1)</b>	<b>Principal Amount to be Redeemed</b>
	\$
†	
<b>Total</b>	\$

† Maturity

---

\* Preliminary, subject to change.

The principal amount to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of such term Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

***Selection of Bonds for Redemption.*** If less than all of the Bonds of a Series B are called for redemption, the Bonds of such series will be redeemed as directed by the District. Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent shall select the outstanding Bonds of such maturity to be redeemed by lot in any manner determined by the District. For purposes of such selection, each Bond will be deemed to consist of individual Bonds of denominations of \$5,000 principal amount, which may be separately redeemed.

***Notice of Redemption.*** Notice of redemption of any Bond will be mailed by the Paying Agent, postage prepaid, (i) not less than 20 nor more than 60 days prior to the redemption date by first class mail to the County and the respective Owners thereof at the addresses appearing on the bond registration books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate. See APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Each notice of redemption shall state: (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the Bonds and the dates of maturity or maturities of Bonds to be redeemed; (vi) if less than all of the Bonds of any maturity are to be redeemed, the distinctive numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice. Neither the failure of the Owners of any Bonds or by any securities depository or information service to receive notice of redemption, nor any defect in such notice will affect the sufficiency of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

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

***Effect of Notice of Redemption.*** When notice of redemption has been given substantially as described above and when the redemption price of the Bonds called for redemption is set aside, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for

redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit for that purpose in the interest and sinking fund of the District within the Stanislaus County treasury (the "Interest and Sinking Fund") or a trust fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

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

### **Transfer and Exchange**

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

### **Defeasance of Bonds**

The District may pay and discharge any or all of the Bonds by irrevocably depositing in trust with the Paying Agent at or before maturity, money or Federal Securities maturing as to principal and interest in such amounts and at such times as will, in the opinion of a certified public accountant, provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due. "Federal Securities" means United States Treasury notes, bonds, bills, or certificates of indebtedness (including zero interest bearing State and Local Government Series) or obligations issued by any agency or department of the United States, which are secured, directly or indirectly, by the full faith and credit of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), and which are not callable by the issuer thereof prior to maturity.

## **Unclaimed Monies**

Any money held in any fund or by the Paying Agent in trust for the payment of the principal of, redemption premium, if any, or interest on any of the Bonds and remaining unclaimed for one year after the principal of all of such Bonds has become due and payable (whether by maturity or upon prior redemption) will be transferred to the Interest and Sinking Fund of the District for payment of any outstanding Bonds of the District payable from said fund; or, if no such Bonds of the District are at such time outstanding, said monies shall be transferred to the general fund of the District as provided and permitted by law.

## **Security for the Bonds**

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is empowered and obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds. The proceeds of the levy shall be deposited to the credit of the Interest and Sinking Fund and shall be applied for the payment of principal of and interest on the Bonds. Moneys in the Interest and Sinking Fund will be invested on behalf of the District in any one or more investments generally permitted to school districts authorized pursuant to Section 53601 et seq. or Section 53635 et seq. of the California Government Code, and consistent with the investment policy of the County. See "APPENDIX G – STANISLAUS COUNTY INVESTMENT POLICY AND INVESTMENT REPORT." The proceeds on deposit in the Interest and Sinking Fund are pledged to the repayment of the principal and redemption price of and interest on the Bonds. See also "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" below.

## **Application and Investment of Bond Proceeds**

The net proceeds from the sale of the Bonds (net of costs of issuance paid by the Paying Agent under a separate agreement) will be deposited in the County treasury (a) to the credit of the building fund of the District (the "Building Fund"), and (b) to the credit of the Interest and Sinking Fund of the District. See "Estimated Sources and Uses of Funds" below.

All funds held by the County Treasurer (the "County Treasurer") in the Building Fund and the Interest and Sinking Fund shall be invested on behalf of the District by the County Treasurer at the County Treasurer's discretion in such investments as are authorized by Section 53601 *et seq.* of the California Government Code, consistent with the investment policy of the County. See "THE COUNTY OF STANISLAUS INVESTMENT POOL" below and APPENDIX G – "STANISLAUS COUNTY INVESTMENT POLICY AND INVESTMENT REPORT."

**Estimated Sources and Uses of Funds**

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

**Table No. 1**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**(Stanislaus County, California)**  
**GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES B**  
**Estimated Sources and Uses of Funds**

<b>Sources of Funds:</b>	
Principal Amount of Bonds	\$
[Less/Plus] [Net] Original Issue	
[Premium/Discount]	
<b>Total Sources of Funds</b>	<b>\$</b>
<b>Uses of Funds:</b>	
Deposit to Interest and Sinking Fund	\$
Deposit to Building Fund	
Underwriter’s Discount	
Costs of Issuance <sup>(1)</sup>	
<b>Total Uses of Funds</b>	<b>\$</b>

<sup>(1)</sup> Includes bond counsel fees, disclosure counsel fees, rating agency fees and costs, financial advisory fees, verification agent fees, paying agent fees, escrow agent fees, printing fees, municipal bond insurance premium, if any, and other miscellaneous expenses.

**The Series B Project**

Pursuant to the 2018 Authorization, the District intends to apply the net proceeds of sale of the Bonds for capital improvements included on the Project List approved by voters of the District at the 2018 Bond Election. The District’s Board of Trustees retains the ability to set priorities among the improvements included on the Project List in order to meet the needs of the District and its students.

Each item on the Project List is assumed to include, if applicable, its share of furniture, equipment, architectural, engineering, and similar planning costs and program/project management. Completion of the items on the project list is subject to the District’s priorities and needs and the availability of adequate funding.

## DEBT SERVICE SCHEDULE

The following table shows the combined annual debt service schedule with respect to the Bonds, assuming no early optional redemptions.

**Table No. 2**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**(Stanislaus County, California),**  
**GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES B**

<b>Period Ending</b> <b>(August 1)</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
<b>Total</b>	\$	\$	\$



## **Other General Obligation Bonds**

In addition to the Bonds, the District has issued the following series of general obligation bonds outstanding (collectively, the “General Obligation Bonds”), each secured by *ad valorem* taxes levied upon all property subject to taxation by the District:

**2005 Authority.** At an election held on November 8, 2005, the registered voters authorized the issuance of \$15,200,000 aggregate principal amount of general obligation bonds (the “2005 Authority”) for the purpose of financing the addition and modernization of school facilities.

**2005 Series A Bonds.** In December 2005, the District issued its first series of bonds pursuant to the 2005 Authority, in the aggregate initial principal amount of \$7,958,595.10, designated as General Obligation Bonds, Election of 2005 Series 2005 A (the “2005 Series A Bonds”). The 2005 Series A Bonds were issued as current interest bonds and capital appreciation bonds and were partially refunded with proceeds of the 2015 Refunding Bonds (defined below). As a result, only the capital appreciation bond portion of the 2005 Series A Bonds remain outstanding, in the denominational amount of \$1,053,595.10, with a maturity value of \$5,055,000.

**2008 Series A Bonds.** In August 2008, the District issued its second series of bonds pursuant to the 2005 Authority, in the aggregate initial principal amount of \$1,263,989.60, designated as General Obligation Bonds, Election of 2005, Series 2008 A (the “2008 Series A Bonds”). The 2008 Series A Bonds were issued as current interest bonds and capital appreciation bonds and are currently outstanding in the aggregate initial principal amount of \$578,989.60, representing \$60,000.00 in principal amount of current interest bonds, and \$518,989.60 in denominational amount of capital appreciation bonds with a maturity value of \$2,480,000.00.

**2008 Series B Bonds.** In August 2008, the District issued its third series of bonds pursuant to the 2005 Authority, in the aggregate initial principal amount of \$3,870,215.25, designated as General Obligation Bonds, Election of 2005, Series 2008 B (the “2008 Series B Bonds”). The 2008 Series B Bonds were issued as capital appreciation bonds and are currently outstanding in the denominational amount of \$3,870,215.25, with a maturity value of \$30,404,922.95.

**2015 Refunding Bonds.** In May 2015, the District issued \$5,130,000 of General Obligation Refunding Bonds (the “2015 Refunding Bonds”), in order to refund a portion of the 2005 Series A Bonds. The 2015 Refunding Bonds were issued as current interest bonds and are currently outstanding in the aggregate principal amount of \$2,075,000.

**2018 Authority.** At an election held on November 6, 2018, the registered voters of the District authorized the issuance of up to \$19,100,000 in aggregate principal amount of general obligation bonds (the “2018 Authority”) for the purpose of financing the construction, repair, modernization, acquisition, and equipping of school classrooms, facilities, and school sites within the District.

**2019 Series A Bonds.** Under the 2018 Authority, in May 2019, the District issued \$6,600,000 of its General Obligation Bonds, Election of 2018, Series A (the “2019 Series A Bonds”), which are currently outstanding in the aggregate principal amount of \$6,095,000.

## Aggregate Debt Service

Debt service on all of the District's General Obligation Bonds, together with the Bonds, assuming no other early optional redemptions, are as follows:

**Table No. 3**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**Combined Annual Debt Service Schedule**  
**General Obligation Bonds**

Year Ending (August 1) <sup>(1)</sup>	2005 Series A Bonds	2008 Series A Bonds	2008 Series B Bonds	2015 Refunding Bonds	2019 Series A Bonds	Aggregate Annual Debt Service The Bonds
2023	--	\$ 27,819	--	\$ 723,750	\$ 347,406	
2024	--	21,663	--	762,750	353,606	
2025	--	15,713	--	803,250	363,606	
2026	\$ 910,000	--	--	--	243,456	
2027	960,000	--	--	--	251,006	
2028	1,010,000	--	--	--	257,856	
2029	1,060,000	--	--	--	264,556	
2030	1,115,000	--	--	--	276,306	
2031	--	1,160,000	--	--	287,306	
2032	--	1,220,000	--	--	297,556	
2033	--	100,000	\$ 1,190,000	--	307,056	
2034	--	--	1,355,000	--	315,806	
2035	--	--	1,420,401	--	328,806	
2036	--	--	1,490,328	--	335,806	
2037	--	--	1,568,197	--	347,056	
2038	--	--	1,645,000	--	357,306	
2039	--	--	1,729,288	--	375,856	
2040	--	--	1,815,690	--	393,656	
2041	--	--	1,906,169	--	410,375	
2042	--	--	2,000,879	--	426,313	
2043	--	--	2,100,000	--	446,075	
2044	--	--	2,206,215	--	464,863	
2045	--	--	2,314,544	--	482,675	
2046	--	--	2,432,262	--	504,513	
2047	--	--	2,550,950	--	525,213	
2048	--	--	2,680,000	--	549,775	
2049	--	--	--	--	573,038	
2050	--	--	--	--	--	
2051	--	--	--	--	--	
2052	--	--	--	--	--	
<b>Totals <sup>(2)</sup></b>	<b>\$5,055,000</b>	<b>\$2,545,194</b>	<b>\$30,404,923</b>	<b>\$2,289,750</b>	<b>\$10,086,850</b>	

<sup>(1)</sup> Period ending August 1 includes February 1 and August 1 debt service payments of the same calendar year (if any).

<sup>(2)</sup> Columns may not sum to totals due to rounding.

## BOND INSURANCE

### **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

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

### **Assured Guaranty Municipal Corp.**

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

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

***Current Financial Strength Ratings.*** On July 8, 2022, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

On October 20, 2021, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

***Capitalization of AGM.*** At June 30, 2022:

- The policyholders' surplus of AGM was approximately \$2,779 million.
- The contingency reserve of AGM was approximately \$905 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,114 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE").

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

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

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (filed by AGL with the SEC on February 25, 2022);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022 (filed by AGL with the SEC on May 6, 2022); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022 (filed by AGL with the SEC on August 4, 2022).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the

last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

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

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

## **SECURITY AND SOURCE OF PAYMENT FOR THE BONDS**

### **General**

In order to provide sufficient funds for the District's repayment of principal of and interest on the Bonds when due, the Board of Supervisors of the County (the "Board of Supervisors") is empowered and obligated to levy and collect ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District. When so collected by the County, the tax revenues will be deposited by the County of Stanislaus in the Interest and Sinking Fund of the District, which is required to be maintained by the County of Stanislaus and to be used solely for the payment of general obligation bonds of the District. The Bonds are payable by the District from ad valorem taxes to be levied within the District pursuant to the California Constitution and other State law, and are not a debt (or a pledge of the full faith and credit) or obligation of the County. No funds or any account of the County are pledged or obligated to repayment of the Bonds. Amounts on deposit in the Interest and Sinking Fund are pledged for the payment of the principal and redemption price of and interest on the Bonds.

## **Property Taxation System**

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

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

## **Pledge of Tax Revenues and Statutory Lien**

Under State law, school districts may levy *ad valorem* taxes to pay principal and interest on general obligation bond debt that, like the Bonds, are approved at an election to finance specified projects or are bonds issued to refund such voter-approved general obligation bonds. Moreover, State law provides that the *ad valorem* taxes may be levied to pay the principal and interest on bonds and for no other purpose. Consequently, under State law, the District is not authorized to divert revenue from *ad valorem* taxes levied to pay the Bonds to a purpose other than payment of the Bonds.

Pursuant to the Resolution, the District pledges revenues from the *ad valorem* taxes collected from the levy by the Board of Supervisors for the payment of the Bonds and to fund amounts on deposit in the Interest and Sinking Fund of the District for the payment of the principal or redemption price of and interest on the Bonds. This pledge is valid and binding from the date of adoption of the Resolution for the benefit of the owners of the Bonds and successors thereto. The pledge provides security for the Bonds in addition to the statutory lien described below. The Bonds, secured by the pledge, are being issued to finance or refinance one or more of the projects specified in the District's Measure "G." The amounts held in the Interest and Sinking Fund of the District are immediately subject to this pledge, and the pledge constitutes a lien and security interest, pursuant to Section 5451 of the California Government Code, which immediately attaches to the property taxes and amounts held in the Interest and Sinking Fund of the District to secure the payment of the Bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act.

Pursuant to Section 53515 of the California Government Code, 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 District's payment thereof. Such lien automatically attaches, without further actions or authorization by the Board of Trustees, and are 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 2016 and payable, both principal and interest, from the proceeds of *ad valorem* taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the State 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 the tax are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

### **Assessed Valuation of Property**

Taxable property located in the District has a fiscal year 2021-22 total assessed value of \$1,189,639,335. All property (real, personal, and intangible) is taxable unless an exemption is granted by the California Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization. See “– State-Assessed Property” below.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See “–Appeals and Adjustments of Assessed Valuation” below.

The assessed valuation of property in the District is established by the County Assessor, except for public utility property that is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIII A of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or the consumer price index or comparable data for the area if such rate is less than 2%, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners. For a discussion of how properties currently are assessed, see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.”

Certain classes of property such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

***State-Assessed Property.*** Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals, and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

***Assembly Bill 102.*** In 2017, the Legislature passed Assembly Bill 102 ("AB 102"). AB 102 restructured the State Board of Equalization and shifted certain of its duties to two new agencies: the California Department of Tax and Fee Administration ("CDTFA"), and the Office of Tax Appeals. The CDTFA took over certain programs previously handled by the State Board of Equalization, including the Tax Area Services Section, which is responsible for maintaining tax-rate area maps and special district boundary maps. The Office of Tax Appeals took over certain types of appeals on tax and fee matters, such as sales and use tax and other special taxes and fees; however, appeals related to programs under the State Board of Administration's authority pursuant to the State Constitution will remain with the State Board of Equalization. Pursuant to the State Constitution, and unaffected by AB 102, the State Board of Equalization remains responsible for the review, equalization, or adjustment of property tax assessment, and the measurement of county assessment levels and adjustment of secured local assessment rolls.

***Classification of Locally Taxed Property.*** Locally taxed property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as "utility" property.

Under California law, a city or county could, and did, prior to recent California legislation dissolving redevelopment agencies, create a redevelopment agency in territory within one or more school districts. Upon formation of a "project area" of a redevelopment agency, most property tax revenues attributable



to the growth in assessed value of taxable property within the project area (known as “tax increment”) belong to the redevelopment agency, causing a loss of general fund tax revenues (relating to the 1% countywide general fund levy) to other local taxing agencies, including school districts, from that time forward. However, special ad valorem property taxes (in excess of the 1% general fund levy) collected for payment of debt service on school bonds are based on assessed valuation before reduction for redevelopment increment and such special ad valorem property taxes are not affected or diverted by the operation of a redevelopment agency project area. The application of such revenues diverted by redevelopment agencies is now substantially limited to meeting existing debt service of the redevelopment agencies.

*Appeals and Adjustments of Assessed Valuation.* There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property’s then-current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner’s property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner’s property in any one year must submit an application to the county assessment appeals board (the “Appeals Board”). Following a review of the application by the county assessor’s office (the “Assessor”), the Assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal’s filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then-current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measurement is computed on a calendar year basis.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

See APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S FINANCES AND OPERATIONS – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues” for a discussion of other limitations on the valuation of real property with respect to *ad valorem* taxes.

***Risk of Impact to Assessed Value Due to Disaster.*** As in Table No. 4 below, assessed valuation of property in the District is subject to change in each year. Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Increases or decreases in assessed value result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, property reclassifications, and man-made or natural disasters such as earthquakes, fires, floods and droughts. Disasters can effect assessed value both through the destruction of taxable property, and through a resulting depression of the real estate market should a disaster impact economic conditions in the County, the region, and/or the State. In recent years, notable disasters in the State included drought conditions statewide, numerous wildfires in different regions of the State, and related flooding and mudslides.

The District may be particularly vulnerable to impacts associated with drought conditions due to the significant agricultural activity in the area of the District. On May 10, 2021, the Governor declared a State of Emergency due to the State facing serious water shortfalls, and ordered State and local agency implementation of certain provisions to adequately respond to drought conditions, specifically expanding the drought proclamation to 41 counties within the State. On July 8, 2021, the Governor expanded the declaration further to include an additional nine counties in the State. On October 19, 2021, the Governor extended the declaration to include the remaining counties, such that the drought State of Emergency is now in effect Statewide. On March 28, 2022, the Governor issued Executive Order N-7-22, which directed the State Water Resources Control Board to issue drought regulations, including a recommendation to have urban water suppliers initiate water shortage contingency plans.

The District cannot predict future disasters or make any representations regarding the effects that any disasters and related conditions may have on the value of taxable property within the District, the District’s ability to pay debt service on the Bonds, or to what extent the effects of said disasters might have on economic activity in the District or throughout the State.

***COVID-19.*** The outbreak of the novel strain of coronavirus called COVID-19, which has been designated a global pandemic by the World Health Organization, has impacted local and global economies. The California Department of Public Health and the United States Centers for Disease Control and Prevention have been providing regular updates and guidelines to the public and to State and local governments.

The District cannot predict the extent or duration of the outbreak, or what impact the outbreak and any resulting economic situation might have on the District’s future financial condition or operations, including potential impacts on the assessed values of property within the District. Although the Bonds

are payable solely from *ad valorem* property taxes and not payable from the general fund of the District, the District cannot predict what future impacts the outbreak may have on its operations and budget.

For a discussion regarding other impacts the District may face in connection with the coronavirus pandemic, see “APPENDIX A – INFORMATION RELATING TO THE DISTRICT’S FINANCES AND OPERATIONS – Impact to District Operations and Budget Due to Coronavirus Pandemic.”

*Assessed Valuation of Property in the District.* The following table shows a historical summary of assessed valuations for the District.

**Table No. 4**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**(Stanislaus County, California)**  
**Assessed Valuations Summary**  
**Fiscal Years 2001-02 through 2021-22**

<b>Year</b>	<b>Local Secured</b>	<b>Utility</b>	<b>Unsecured</b>	<b>Total</b>	<b>Annual Percent Change</b>
2001-02	\$ 497,619,360	\$2,447,196	\$37,051,556	\$ 537,118,112	--
2002-03	536,958,527	2,325,820	30,919,382	570,203,729	6.16%
2003-04	569,008,307	3,006,462	40,527,733	612,542,502	7.43
2004-05	622,157,033	2,959,749	40,979,596	666,096,378	8.74
2005-06	677,336,547	2,975,707	43,088,906	723,401,160	8.60
2006-07	815,244,255	2,482,485	43,661,269	861,388,009	19.07
2007-08	902,565,575	1,194,007	34,577,238	938,336,820	8.93
2008-09	832,569,398	1,776,646	35,210,620	869,556,664	-7.33
2009-10	735,543,407	1,776,646	46,062,425	783,382,478	-9.91
2010-11	694,329,069	1,651,646	37,379,296	733,360,011	-6.39
2011-12	672,011,267	1,651,646	37,885,197	711,548,110	-2.97
2012-13	664,030,869	998,300	36,640,811	701,669,980	-1.39
2013-14	694,380,690	998,300	32,833,725	728,212,715	3.78
2014-15	762,175,633	998,300	31,558,584	794,732,517	9.13
2016-17	824,155,115	998,300	33,220,266	858,373,681	8.01
2017-18	916,701,368	906,750	38,022,806	955,637,924	11.33
2018-19	971,332,105	906,750	39,558,692	1,011,804,547	5.88
2019-20	1,035,027,464	906,750	39,899,808	1,075,834,022	6.33
2020-21	1,086,833,436	906,370	44,986,762	1,132,726,568	5.29
2021-22	1,146,066,938	906,370	42,666,027	1,189,639,335	5.02

Source: California Municipal Statistics, Inc.

*Assessed Valuation by Jurisdiction.* The following table shows the District’s fiscal year 2021-22 assessed valuation of property by amount and percentage within the City of Riverbank and within the unincorporated areas of Stanislaus County.

**Table No. 5**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**2021-22 Assessed Valuation by Jurisdiction**

<b>Jurisdiction</b>	<b>Assessed Valuation in School District</b>	<b>% of School District</b>	<b>Assessed Valuation of Jurisdiction</b>	<b>% of Jurisdiction in School District</b>
City of Riverbank	\$ 889,692,313	74.79%	\$2,052,852,901	43.34%
Unincorporated Stanislaus County	299,947,022	25.21	17,955,598,637	1.67
<b>Total District</b>	<b>\$1,189,639,335</b>	<b>100.00%</b>		
Stanislaus County	\$1,189,639,335	100.00%	\$57,702,769,234	2.06%

*Source: California Municipal Statistics, Inc.*

*Assessed Valuation by Land Use.* The following table gives a distribution of taxable property located in the District for the fiscal year 2021-22, by principal purpose for which the land is used, as measured by assessed valuation and number of parcels.

**Table No. 6**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**2021-22 Assessed Valuation and Parcels by Land Use**

	<b>2021-22 <u>Assessed Valuation</u> <sup>(1)</sup></b>	<b>% of <u>Total</u></b>	<b>No. of <u>Parcels</u></b>	<b>% of <u>Total</u></b>
<b><u>Non-Residential:</u></b>				
Agricultural	\$128,140,560	11.18%	253	5.34%
Commercial	67,780,027	5.91	227	4.79
Vacant Commercial	4,942,764	0.43	25	0.53
Industrial	50,716,590	4.43	40	0.84
Vacant Industrial	804,024	0.07	7	0.15
Recreational	16,404,689	1.43	1	0.02
Government/Social/Institutional	<u>125,895</u>	<u>0.01</u>	<u>111</u>	<u>2.34</u>
Subtotal Non-Residential	\$268,914,549	23.46%	664	14.02%
<b><u>Residential:</u></b>				
Single Family Residence	\$805,064,731	70.25%	3,601	76.03%
Mobile Home	2,690,522	0.23	68	1.44
Mobile Home Park	2,664,605	0.23	4	0.08
2-3 Residential Units	24,313,258	2.12	89	1.88
4+ Residential Units/Apartments	6,147,388	0.54	19	0.40
Vacant Residential	<u>36,271,885</u>	<u>3.16</u>	<u>291</u>	<u>6.14</u>
Subtotal Residential	\$877,152,389	76.54%	4,072	85.98%
<b>Total</b>	<b>\$1,146,066,938</b>	<b>100.00%</b>	<b>4,736</b>	<b>100.00%</b>

<sup>(1)</sup> Local Secured Assessed Valuation, excluding tax-exempt property.

*Source: California Municipal Statistics, Inc.*

*Assessed Valuation of Single-Family Homes.* The following table shows the distribution of assessed valuation of single-family homes in the District among various categories of value for fiscal year 2021-22, including mean and median value per parcel.

**Table No. 7**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**2021-22 Per Parcel Assessed Valuation of Single Family Homes**

	<u>No. of Parcels</u>	<u>2021-22 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	3,601	\$805,064,731	\$223,567	\$201,578

<u>2021-22 Assessed Valuation</u>	<u>No. of Parcels<sup>(1)</sup></u>	<u>% of Total</u>	<u>Cumulative of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$24,999	21	0.583%	0.583%	\$ 437,495	0.054%	0.054%
\$25,000 - \$49,999	107	2.971	3.555	4,337,359	0.539	0.593
\$50,000 - \$74,999	170	4.721	8.275	10,498,519	1.304	1.897
\$75,000 - \$99,999	255	7.081	15.357	22,645,860	2.813	4.710
\$100,000 - \$124,999	279	7.748	23.105	31,772,850	3.947	8.657
\$125,000 - \$149,999	340	9.442	32.547	46,762,051	5.808	14.465
\$150,000 - \$174,999	313	8.692	41.239	50,551,535	6.279	20.744
\$175,000 - \$199,999	304	8.442	49.681	56,894,468	7.067	27.811
\$200,000 - \$224,999	288	7.998	57.678	61,188,821	7.600	35.412
\$225,000 - \$249,999	224	6.220	63.899	53,132,668	6.600	42.012
\$250,000 - \$274,999	241	6.693	70.592	63,285,476	7.861	49.873
\$275,000 - \$299,999	219	6.082	76.673	62,986,041	7.824	57.696
\$300,000 - \$324,999	186	5.165	81.838	57,635,110	7.159	64.855
\$325,000 - \$349,999	167	4.638	86.476	56,411,654	7.007	71.863
\$350,000 - \$374,999	120	3.332	89.808	43,570,386	5.412	77.275
\$375,000 - \$399,999	96	2.666	92.474	36,995,255	4.595	81.870
\$400,000 - \$424,999	44	1.222	93.696	18,085,794	2.247	84.116
\$425,000 - \$449,999	41	1.139	94.835	17,966,679	2.232	86.348
\$450,000 - \$474,999	30	0.833	95.668	13,859,469	1.722	88.070
\$475,000 - \$499,999	27	0.750	96.418	13,142,851	1.633	89.702
\$500,000 and greater	<u>129</u>	<u>3.582</u>	100.000	<u>82,904,390</u>	<u>10.298</u>	100.000
	3,601	100.000%		\$805,064,731	100.000%	

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

## Bonding Capacity

As a California unified school district, the District may issue bonds in an amount up to 2.50% of the assessed valuation of taxable property within its boundaries. The District’s fiscal year 2021-22 gross bonding capacity (also commonly referred to as the “bonding limit” or “debt limit”) is approximately \$29,740,983 and its net bonding capacity is approximately \$16,068,183 (taking into account current outstanding bond debt before issuance of the Bonds (\$13,672,800) and the 2021-22 assessed valuation of taxable property within the District of \$1,189,639,335). Once issued, the outstanding principal of the Bonds will be included when calculating the District’s bonding capacity.

## Tax Rates

The State Constitution permits the levy of an ad valorem tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special ad valorem property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Bonds in a given year depends on the assessed value of taxable property in that year. The rate of tax imposed on unsecured property for repayment of the Bonds is based on the prior year's secured property tax rate. Economic and other factors beyond the District's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, drought, outbreak of disease, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in a typical tax rate area located in the TRA 6-090 portion of the District for fiscal years 2017-18 through 2021-22.

**Table No. 8**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**Typical Total Tax Rates per \$100 of Assessed Valuation (TRA 6-090)<sup>(1)</sup>**  
**Fiscal Years 2017-18 through 2021-22**

	2017-18	2018-19	2019-20	2020-21	2021-22
General	\$1.000000	\$1.000000	\$1.000000	1.000000	1.000000
Riverbank Unified School District <sup>(2)</sup>	0.105788	0.033385	0.031112	0.000000	0.000000
Riverbank Unified School District	0.062371	0.073426	0.075673	0.101051	0.097826
Yosemite Community College District	0.024068	0.025974	0.023780	0.022778	0.024006
<b>Total</b>	<b>\$1.192227</b>	<b>\$1.132785</b>	<b>\$1.130565</b>	<b>1.123829</b>	<b>1.121832</b>

<sup>(1)</sup> 2021-22 assessed valuation of TRA 6-090 is \$328,316,649, which is 27.6% of the District's total assessed valuation.

<sup>(2)</sup> Former elementary school district bonds.

Source: *California Municipal Statistics, Inc.*

## Property Tax Collections

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

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

### Largest Secured Property Taxpayers in District

The following table shows the 20 largest secured property taxpayers in the District as determined by secured assessed valuation in fiscal year 2021-22. 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.

**Table No. 9**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**2021-22 Largest Secured Taxpayers**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>Assessed Valuation</u>	<u>Total <sup>(1)</sup></u>
1.	Silgan Containers Manufacturing Corp.	Heavy Industrial	\$ 20,622,450	1.80%
2.	Store Capital Acquisitions LLC	Movie Theater	16,404,689	1.43
3.	Bentley Ranch LLC	Agricultural	8,436,496	0.74
4.	Pete Postma Dairy Properties LP	Agricultural	7,415,639	0.65
5.	Ronald & Florene Hilarides	Agricultural	5,661,449	0.49
6.	McRoy-Wilbur Communities Inc.	Residential Land	5,480,305	0.48
7.	Fresno Farming LLC	Agricultural	5,421,963	0.47
8.	Riverbank Venture	Warehouse	5,361,008	0.47
9.	John P. Brichetto	Agricultural	5,296,405	0.46
10.	ZB Riverbank LLC	Apartments	5,190,410	0.45
11.	Durand Keith Overholtzer	Light Industrial	4,851,703	0.42
12.	Sun Garden-Gangi Canning Company LLC	Food Processing	4,797,970	0.42
13.	Joe L. Dutra Jr.	Agricultural	3,853,677	0.34
14.	Arthur L. & Rhonda L. Silva	Agricultural	3,580,296	0.31
15.	F & M Monschein Enterprises LP	Light Industrial	3,296,647	0.29
16.	Riverbank Real Estate LLC	Medical Building	3,216,603	0.28
17.	Riverbank Professional Plaza LLC	Office Building	2,976,000	0.26
18.	Welch Valley Properties LLC	Agricultural	2,663,084	0.23
19.	Pacheco Farm Properties LLC	Agricultural	2,376,949	0.21
20.	Wayne Lin Wen-Chiao	Commercial	<u>2,339,993</u>	<u>0.20</u>
			\$119,243,736	10.40%

<sup>(1)</sup> 2021-22 local secured assessed valuation: \$1,146,066,938.

Source: California Municipal Statistics, Inc.

## Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc., and dated September 1, 2022. 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.

**Table No. 10**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**Statement of Direct and Overlapping Bonded Debt**  
**Dated as of September 1, 2022**

2021-22 Assessed Valuation: \$1,189,639,335

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 9/1/22</u>
Yosemite Community College District	1.525%	\$ 3,862,314
<b>Riverbank Unified School District</b>	<b>100.000</b>	<b>13,672,800</b> <sup>(1)</sup>
Oak Valley Hospital District	2.303	<u>614,325</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$18,149,439
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Stanislaus County Certificates of Participation	2.062%	\$ 280,329
Stanislaus County Office of Education Certificates of Participation	2.062	16,187
<b>Riverbank Unified School District Certificates of Participation</b>	<b>100.000</b>	<b><u>7,434,885</u></b> <sup>(1)</sup>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$7,731,401
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		 \$13,498,335
 COMBINED TOTAL DEBT		 \$39,379,175 <sup>(2)</sup>

<sup>(1)</sup> Excludes the Bonds described herein.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

<b>Direct Debt (\$13,672,800)</b> .....	<b>1.15%</b>
Total Direct and Overlapping Tax and Assessment Debt.....	1.53%
<b>Combined Direct Debt (\$21,107,685)</b> .....	<b>1.77%</b>
Combined Total Debt .....	3.31%

Ratios to Redevelopment Incremental Valuation (\$253,038,600):

Total Overlapping Tax Increment Debt.....	5.33%
---	-------

Source: California Municipal Statistics, Inc.



## STANISLAUS COUNTY INVESTMENT POOL

*The following information concerning the Stanislaus County Investment Pool (the "Investment Pool" or "Pool") has been obtained from the Stanislaus County website (<http://www.stancounty.com/tr-tax/pdf/policy/inopol0414.pdf>) and has not been confirmed or verified by the District or the Underwriter. The website is not incorporated herein by reference. No representation is made herein 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 or incorporated hereby by reference is correct as of any time subsequent to its date.*

The County Treasurer manages the Stanislaus County Treasury Pool (the "Investment Pool") in which certain funds of Stanislaus County and certain funds of other participating entities are invested pending disbursement. General participants are those government agencies within Stanislaus County, including the District, for which the County Treasurer is statutorily designated as the custodian of such funds. The Stanislaus County Board of Supervisors approved the current Stanislaus County Treasury Pool Investment Policy (the "Investment Policy"), effective July 1, 2022 (See APPENDIX G – "STANISLAUS COUNTY INVESTMENT POLICY AND INVESTMENT REPORT"). Funds held in the Investment Pool are invested by the County Treasurer in accordance with State law and the Investment Policy. This is an annual delegation given to the County Treasurer by the Stanislaus County Board of Supervisors each year and can be revoked by the Stanislaus County Board of Supervisors at any time.

The Investment Policy applies to all financial assets deposited and retained in the Investment Pool. The primary purpose of the Investment Policy is to provide guidance of the investment of funds in excess of the current day's necessary expenditure. The primary objective of investment of short term operating funds is to maintain the principal of such funds (safety) in investment vehicles which are easily converted to cash (liquidity) while obtaining a competitive market rate of return (yield) for the risk taken at the time of investing.

In accordance with the Investment Policy, the County Treasurer presents a monthly summary of investments in the Investment Pool to the Stanislaus County Board of Supervisors (the "Monthly Investment Report"). Per the most recent available Monthly Investment Report, as of June 2022, the market value of the Investment Pool was \$2,091,668,522 including total investments and cash balance. As of June 30, 2022, the Pool has a weighted average maturity of 784 days. On a book value basis, 21% of the Pool's portfolio matures within 12 months, 24% matures between 1 and 2 years, 20% matures between 2 and 3 years, 26% matures between 3 and 4 years and 9% matures between 4 and 5 years. (See APPENDIX G– "STANISLAUS COUNTY INVESTMENT POLICY AND INVESTMENT REPORT").

*The value of the various investments in the 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 County Treasurer, with the consent of the Stanislaus County Board of Supervisors, may change the Stanislaus County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Pool will not vary significantly from the values described herein.*

## TAX MATTERS

### Tax Exemption

*Federal and California Tax Status.* In the opinion of Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, subject, however, to certain qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes. In addition, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022. Bond Counsel is of the further opinion that interest on the Bonds is exempt from State of California personal income taxes.

*Tax Treatment of Original Issue Discount and Premium.* The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Tax Code”) and other laws that must be satisfied subsequent to the issuance of the Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. The amount of tax-exempt interest received and a Beneficial Owner’s basis in a Premium Bond, however, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds

should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

*Other Tax Considerations.* The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, future legislative proposals could limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals or clarifications of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

### **Form of Opinion**

The proposed form of opinion of Bond Counsel for the Bonds is attached hereto as APPENDIX D.

## **OTHER LEGAL MATTERS**

### **Legality for Investment**

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

### **Absence of Material Litigation**

There is no action, suit, or proceeding known to be pending or threatened, to restrain or enjoin the execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the District taken with respect thereto. 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 issue the Bonds.

The District is occasionally subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

### **Professionals Involved in the Offering**

Lozano Smith, LLP is acting as Bond Counsel and Disclosure Counsel with respect to the Bonds, and will receive compensation contingent upon the sale and delivery of the Bonds.

Dale Scott & Company Inc., San Francisco, California, (the "Financial Advisor"), has been employed by the District to perform financial services in relation to the sale and delivery of the Bonds. The Financial Advisor will not participate in the underwriting of the Bonds. The Financial Advisor is not contractually

obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Fees charged by the Financial Advisor are contingent upon the sale of the Bonds.

### **Possible Limitations on Remedies**

State law contains a number of safeguards to protect the financial solvency of school districts. If the safeguards are not successful in preventing a school district from becoming insolvent, the county superintendent of schools, under the supervision of the State Superintendent of Public Instruction (the "State Superintendent"), operating through an administrator appointed by the county superintendent of schools with concurrence from the State Superintendent, may be authorized under State law to file a petition for relief under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the district for the adjustment of its debts. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, then the application of *ad valorem* taxes to pay the Bonds could be stayed during the proceeding (unless they are determined to be "special revenues" within the meaning of the Bankruptcy Code and not derived from District projects), and it is possible that the terms of the Bonds and Resolutions (including amount, rate, security, and tax-related covenants) could be altered by a plan of adjustment, if the bankruptcy court determines that the alterations are fair and equitable and otherwise comply with the requirements of the Bankruptcy Code. Bankruptcy courts are courts of equity with broad discretionary powers, and their decisions can be heavily influenced by the facts in a case, including whether commingled *ad valorem* tax revenues can be identified, and the overall goal of the Bankruptcy Code to facilitate an adjustment of debts. A bankruptcy proceeding, if initiated on behalf of the District, could have an adverse effect on the liquidity and value of the Bonds.

The County, on behalf of the District, is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County Investment Pool, as described in "STANISLAUS COUNTY INVESTMENT POOL" herein and APPENDIX G "STANISLAUS COUNTY INVESTMENT POLICY AND INVESTMENT REPORT," 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.

### **CONTINUING DISCLOSURE**

The District has covenanted for the benefit of the holders and Beneficial Owners of the Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system or such other electronic system designated by the MSRB (the "EMMA System") certain annual financial information and operating data relating to the District (the

“Annual Report”) by not later than the March 31 following the end of the District’s fiscal year (currently ending June 30), commencing with the report for fiscal year 2021-22 (which is due no later than March 31, 2023) and notice of the occurrence of certain enumerated events (“Listed Events”) within ten (10) business days after the occurrence of such a Listed Event. The specific nature of the information to be contained in the Annual Report and the notices of Listed Events is set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”).

The District has existing disclosure obligations pursuant to the Rule. In the five -year period previous to the date of this Official Statement, the District timely and completely filed each Annual Report and notices of all Listed Events with respect to its prior continuing disclosure undertakings.

The District has retained Dale Scott & Company Inc. as its dissemination agent with respect to the Bonds and all continuing disclosure undertakings with respect to the District’s outstanding debt issuances.

A failure by the District to comply with an undertaking will not constitute an event of default with respect to the Bonds. Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The County shall not have any obligation or incur any liability whatsoever with respect to the performance of the District’s duties regarding continuing disclosure.

## **RATINGS**

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), is expected to assign a municipal bond rating of “AA” to the Bonds, with the understanding that a municipal bond insurance policy insuring the payment, when due, of principal of and interest on the Bonds will be issued by Assured Guaranty Municipal Corp. at the time of delivery of the Bonds.

In addition, S&P has assigned the underlying rating of “A+” to the Bonds.

A rating agency generally bases its rating on its own investigations, studies and assumptions as well as information and materials furnished to it (which may include information and materials from the District, which are not included in this Official Statement). The ratings reflects only the view of S&P, and any explanation of the significance of such ratings should be obtained only from S&P. Such ratings are not a recommendation to buy, sell or hold the Bonds. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. Neither the Underwriter nor the District has undertaken any responsibility after the offering of the Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal.

## UNDERWRITING

The Bonds are being purchased by Oppenheimer & Co. Inc. (the “Underwriter”) for reoffering to the public pursuant to the terms of a bond purchase agreement for the Bonds, by and between the Underwriter and the District (the “Bond Purchase Agreement”). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase the Bonds at a price of \$\_\_\_\_\_ (equal to the principal amount of Bonds plus/less net original issue premium/discount of \$\_\_\_\_\_, and less underwriter’s discount of \$\_\_\_\_\_).

The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds (if any are purchased), subject to certain terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter.

## PAYING AGENT

The District has appointed U.S. Bank Trust Company, National Association, Los Angeles, California (the “Paying Agent”), a national banking association organized under the laws of the United States, to serve as Paying Agent. The Paying Agent is to carry out those duties assignable to it under the Resolutions and other documents related to the Bonds. Except for the contents of this section, the Paying Agent has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Resolution or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Paying Agent has no oversight responsibility, and is not accountable, for the use or application by the District of any of the Bonds authenticated or delivered pursuant to the Resolution or for the use or application of the proceeds of such Bonds by the District. The Paying Agent has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the Project, or the investment quality of the Bonds, about all of which the Paying Agent expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Paying Agent may be found at its website at [www.usbank.com](http://www.usbank.com). Neither the information on the Paying Agent’s website, nor any links to or from that website, is incorporated as a part of this Official Statement, nor should any such information be relied upon to make investment decisions regarding the Bonds.

## **ADDITIONAL INFORMATION**

Brief descriptions or summaries of the District, the Resolution, the Bonds, and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Resolution, and other documents, agreements and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained at the principal corporate trust office of the Paying Agent.

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

All 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.

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

### **RIVERBANK UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_  
Christine Facella, Superintendent



## APPENDIX A

### INFORMATION RELATING TO THE DISTRICT'S FINANCES AND OPERATIONS

*The information in this appendix concerning the operations of the District, the District's finances, and State funding of education, 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 necessarily payable from the general fund of the District or from State revenues. Interest on the Bonds is payable from the proceeds of an ad valorem tax levied and collected by the County for that purpose in accordance with the Authorizing Law and the Resolution. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front portion of this Official Statement.*

### THE DISTRICT

#### General Information

The District is a unified school district serving students in Stanislaus County (the "County"), in the state of California (the "State"). The District was organized in 1919 and unified on July 1, 1998. It is located on the southern bank of the Stanislaus River and serves two community sectors: the City of Riverbank and the agricultural area that surrounds the City of Riverbank. The District currently operates two elementary schools, one middle school, one high school, one continuation high school, and an independent study program and one charter school. The District has projected current student enrollment of 2,350 students, pursuant to its most recent operating budget (for fiscal year 2022-23). The 2021-22 total assessed value of property in the District is \$1,189,639,335.

#### Administration

The District is governed by a five-member Board of Trustees elected by voters within the District. The Board of Trustee members are elected to four-year terms in alternate slates of two and three in elections that are held every two years. Each December the Board of Trustees elects a President and a Clerk to serve one year terms. Current voting members of the Board of Trustees, together with their office and the date their term expires, are listed below:

#### RIVERBANK UNIFIED SCHOOL DISTRICT (Stanislaus County, California)

##### Board of Trustees

<b>Name</b>	<b>Office</b>	<b>Term Expires</b>
Ernest Velasco	President	December 2024
Diana Gonzalez	Clerk	December 2022
Elizabeth Meza	Member	December 2022
Susan Taylor	Member	December 2022
Ana Vigil	Member	December 2024

***Superintendent and Administrative Personnel.*** The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. The Chief Business Official of the District is responsible for the administration, financial, and operations management of the District, and reports to the Superintendent of the District. Brief biographies of the Superintendent and the Chief Business Official are as follows.

***Christine Facella, Superintendent.*** Christine Facella joined the District in 2005, originally as an Assistant Principal. Since that time she has served as Riverbank High School Principal, Assistant Superintendent, and now as Superintendent, a role she has served in for the last three years. Christine Facella holds a BS in Early Childhood Education and Special Education along with a Master's Degree from St. Mary's of California in Educational Leadership. Ms. Facella has recently indicated she plans to retire at the end of the current fiscal year, June 30, 2023. The District has contracted with a search firm to begin the process of finding a successor.

***Arturo Martinez, Chief Business Official.*** Arturo Martinez joined the District in March of 2022. Previously, Mr. Martinez worked for the University of California, Merced, as the Director of General Accounting and, prior to that, served as the Finance Assistant Manager at Aisin Electronics, Inc. Mr. Martinez earned a Master's Degree in Business Administration from the California State University, Stanislaus.

***Impact to District Operations and Budget Due to Coronavirus Pandemic.*** The outbreak in the early months of 2020 of a novel strain of coronavirus which causes a respiratory illness known as COVID-19, has been designated a global pandemic by the World Health Organization. The global and local response to the pandemic, including efforts to prevent or slow transmission of the virus, has impacted local and global economies. The California Department of Public Health, the United States Centers for Disease Control and Prevention, and various local health officials, have been providing regular updates and guidelines to the public and to State and local governments.

Although, to date, widespread administration of vaccinations has slowed the spread of the virus in California and the United States, the outbreak is ongoing and District cannot predict what future impacts the outbreak may have on its operations and budget. The District cannot predict future costs associated with a potential infectious disease outbreak such as operational costs to clean, sanitize, and maintain its facilities either before or after an outbreak of an infectious disease, or costs to hire substitute certificated or classified employees. The District also cannot predict what long-term impact the COVID-19 pandemic and potential school closures and shelter-in place orders by State and local officials in response to the pandemic, might have on the District's ADA, which is the primary factor in determining the amount of funding the District receives from the State. Note, however, that the Bonds are payable from *ad valorem* property taxes. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front part of this Official Statement.

***State and Federal Relief Legislation.*** On March 16, 2020, and at the request of the Governor, the California Legislature presented two bills for the Governor's signature addressing economic impacts to

public school districts resulting from the outbreak, including school closures implemented by school districts in order to slow the spread of the outbreak. On March 17, 2020, both bills, Senate Bill 89 (“SB 89”) and Senate Bill 117 (“SB 117”) were signed by the Governor. Each bill took effect immediately.

SB 89 amended the Budget Act of 2019 by appropriating \$500 million from the State General Fund for any purpose related to the Governor’s March 4 Emergency Proclamation. The second bill, SB 117, addressed economic impacts to school districts directly. Among other things, SB 117 provided that, for all school districts that complied with Executive Order N-26-20, attendance during only full school months from July 1, 2019 to February 29, 2020, inclusive, would be reported for apportionment purposes. SB 117 also held harmless school districts not meeting minimum instructional day and minute requirements, in order to prevent a loss of funding related to school closures due to the outbreak. SB 117 also held harmless grantees operating After School Education and Safety Programs that were prevented from operating such programs due to COVID-19, and credited such Program grantees with the ADA that the grantee would have received had it been able to operate but for COVID-19. SB 117 also appropriated \$100 million 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, or both.

Senate Bill 98 (“SB 98”), the education omnibus trailer bill, part of the legislation enacting the 2020-21 State Budget, included an additional ADA hold-harmless provision, specifying that LCFF funding determinations for the 2020-21 school year will be based on 2019-20 ADA levels.

On December 30, 2020, the Governor unveiled the “Safe Schools for All Plan,” pledging to work with the State Legislature to implement up to \$2 billion in funding for the safe reopening of schools beginning in February 2021. Funding for the Safe Schools for All Plan was included in the Governor’s 2021 State Budget Proposal, released on January 8, 2021, which urged the Legislature to take immediate action on this item, rather than wait until implementation of the 2021-22 State Budget later that summer. On March 5, 2021, the Governor signed Assembly Bill 86 (“AB 86”), the final legislation for the Safe Schools for All Plan, which provided \$2 billion for in person instruction grants, and \$4.6 billion for expanded learning opportunity grants to local educational agencies. AB 86 went into effect immediately. (See also “STATE BUDGET” in this APPENDIX A.)

To date, Congress has passed a number of relief bills and taken administrative actions in response to the COVID-19 pandemic, including, but not limited to, the following:

- On March 22, 2020, then-President Trump approved the Major Disaster Declaration for the State of California’s COVID-19 pandemic, authorizing federal emergency aid related to COVID-19. Local educational agencies may submit a request for public assistance through the California Office of Emergency Services for reimbursement of certain costs incurred as a result of COVID-19.
- On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the “Cares Act”). The Cares Act appropriated approximately \$2 trillion in COVID-

19-related relief, including \$30 billion to education, specifically \$3 billion allocated to state governors to be used at their discretion to address the emergency, \$13.5 billion for K-12 education, and \$14.25 billion for postsecondary institutions. School districts are able to use their share of the \$13.5 billion K-12 education allocation under the Cares Act, which is based on the proportion of Title I funding received for the fiscal year ending prior to the grant, for purposes authorized by federal law and other specified uses.

- On December 27, 2020, President Trump signed the 2021 omnibus appropriations bill, which included a \$900 billion COVID-19 relief package in addition to its annual federal agency appropriations. This bill extended the date by which state and local governments, including school districts, must spend CARES Act funding.
- On March 10, 2021, President Biden signed into law the “American Rescue Plan,” a \$1.9 trillion COVID-19 relief package. The American Rescue Plan provides \$168 billion in education funding, including \$126 billion for K-12 schools.

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 websites.

*District Response and Impacts.* In the early stages of the pandemic, in March of 2020, in its own response to COVID-19, and out of concern for the health and safety of its students, staff, and community, the District implemented a multi-phased approach to delivering education in response to the pandemic. The first phase included closing the District’s schools and shifting instruction to remote learning for the remainder of the 2019-20 school year. Phase two included a blended approach with students attending school on assigned days, with masking a distancing measures in place. In fiscal year 2021-22, the District returned to in-person instruction, though some virtual instruction was made available concurrently. All on-campus students were required to socially distance and wear masks.

To date, the District has been awarded approximately \$16,169,709 in State and federal relief funding and emergency aid, including under SB 117, the CARES Act, and the American Rescue Plan, to address impacts of the COVID-19 outbreak, as detailed in the below table. Most of the relief funding is considered one-time revenues, though certain of the revenues are permitted to be spent in future fiscal years. The District can make no representation that all funding will be received, or that the District can expend relief funding prior the expiration of applicable expenditure deadlines.

<b>Source</b>	<b>Award</b>
SB 117 COVID-19 LEA Response Funds	\$ 49,637
Elementary and Secondary School Emergency Relief (ESSER) I	623,346
ESSER II	2,804,410
ESSER III	5,042,260
ESSER III: Learning Loss	1,260,565
In-Person Instruction Grants	1,209,576
Expanded Learning Opportunities (ELO)Grant	1,021,175
Learning Loss Mitigation (Coronavirus Relief Fund)	2,440,926
Learning Loss Mitigation (State General Fund)	225,698
Learning Loss Mitigation (Governor’s Emergency Education Relief (GEER))	116,383
ELO Grant: Paraprofessional Staff	218,809
ELO Grant (ESSER II)	327,474
ELO Grant (ESSER III)	213,475
ELO Grant (ESSER III)	367,994
ELO Grant (GEER II)	75,159
Special Education Learning Recovery Support	154,239
America Rescue Plan – Homeless Children and Youth II	18,583

While the various State and federal emergency aid have provided some immediate relief to school districts, including the District, the long-term impacts of the COVID-19 outbreak are unknown as the situation continues to progress and evolve. The District cannot predict whether additional legislation will be enacted in the future in the event the COVID-19 pandemic continues, worsens, or a similar or other outbreak of a highly contagious disease or epidemic disease were to occur. Because the District is funded primarily pursuant to the State’s education funding formula known as LCFF, the District’s main operating revenues will be impacted by the State’s financial position in the current and future fiscal years. Should the pandemic continue and/or escalate into the future, the State’s revenues may decline, and a corresponding decline in education funding is possible. See also, below under the heading “STATE BUDGET” for information on the State’s fiscal years 2021-22 and 2022-23 budgets.

Notwithstanding the impacts the coronavirus outbreak may have on the global and national economy, the economy in the State, in the District, or on the District’s operations and revenues, the Bonds described herein are voter-approved general obligations of the District payable from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount.

## **Employment**

For fiscal year 2022-23, the District has budgeted for 282.4 employees, consisting of 147.6 certificated non-management employees, 110.4 classified non-management employees, and 24.4 management/supervisory/confidential employees. The District has budgeted certificated and classified salaries in the amounts of \$15.1 million and \$5.8 million, respectively.

Most District employees are represented by employee bargaining units. The Riverbank Teachers' Association ("RTA") represents the non-management certificated employees, and California School Employees Association, Chapter 031 ("CSEA 031"), represents the non-management classified employees. The District's current contract with RTA expired on June 30, 2022, and its contract with CSEA 031 expired on June 30, 2022. By law, each contract is in effect until a new contract is approved. The District is currently in negotiations with both bargaining units in order to finalize successor agreements.

### **District Retirement Systems**

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

The District participates in retirement plans with the State Teachers' Retirement System ("CalSTRS"), which covers all full-time District faculty members, and the State Public Employees' Retirement System ("CalPERS"), which covers classified employees. Classified District personnel who are employed more than half of full-time service may participate in CalPERS.

Each of CalSTRS and CalPERS 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 CalSTRS and CalPERS as follows: (i) CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) CalPERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of CalSTRS and CalPERS maintains a website, as follows: (i) CalSTRS: [www.calstrs.com](http://www.calstrs.com); (ii) CalPERS: [www.calpers.ca.gov](http://www.calpers.ca.gov). *The information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.*

***District Contributions.*** The following table sets forth the District's total contributions to CalSTRS and CalPERS for fiscal years 2017-18 through 2021-22, the District's projected (budgeted) contributions for fiscal year 2022-23, and the percentage of the District's total general fund expenditures represented by such aggregated contributions. For more information regarding the District's retirement benefits obligations, see APPENDIX C – "ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note 7 - Net Pension Liability – State Teachers' Retirement Plan, and Note 8 - Net Pension Liability – Public Employer's Retirement Fund B" herein.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

**TABLE No. A-1**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**Aggregate Employer Contributions to CalSTRS and CalPERS**  
**Fiscal Years 2017-18 through 2022-23**

<b>Fiscal Year</b>	<b>District CalSTRS Contributions <sup>(1)</sup></b>	<b>District CalPERS Contributions <sup>(1)</sup></b>	<b>District Contribution (CalSTRS and CalPERS Combined) as Percentage of Total General Fund Expenditures</b>
2017-18	\$1,969,562	\$ 902,822	8.58%
2018-19	2,436,028	1,064,632	9.66
2019-20	2,679,854	1,294,513	10.08
2020-21	2,423,185	1,255,875	9.83
2021-22	2,917,236	1,435,935	8.77
2022-23 <sup>(2)</sup>	3,387,365	1,845,997	12.73

<sup>(1)</sup> Reflects data for all District funds, including the District’s general fund. Does not include on-behalf payments from the State.

<sup>(2)</sup> Projected.

*Source: The District’s Audit Reports for fiscal years 2017-18 through 2020-21, and the District’s 2022-23 adopted budget.*

**CalSTRS.** All full-time certificated employees, as well as certain classified employees, are members of CalSTRS. CalSTRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the “CalSTRS Defined Benefit Program”). The CalSTRS 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, CalSTRS contribution rates did not vary annually to make up funding shortfalls or assess credits for actuarial surpluses, although the State did, and does pay a surcharge when the member and school district contributions are not sufficient to fully fund the basic defined benefit pension (generally consisting of 2% of salary for each year of service at age 60 referred to herein as “pre-enhancement benefits”) within a 30-year period. However, this surcharge does not apply to systemwide unfunded liability resulting from recent benefit enhancements.

As part of the 2014-15 State Budget, the then-Governor signed Assembly Bill 1469 (“AB 1469”) which implemented a new funding strategy for CalSTRS and increased the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. Such rate then increased by 1.85% beginning in Fiscal Year 2015-16 until the employer contribution rate is 19.10% of covered payroll as further described below. AB 1469 increased member contributions, which were previously set at 8.00% of pay, to 10.25% of pay for members hired on or before December 31, 2012, and 9.205% of pay for members hired on or

after January 1, 2013, effective July 1, 2016. On July 1, 2018, however, for members hired on or after January 1, 2013, the rate for members hired on or after January 1, 2013, increased from 9.205% of pay to 10.205% of pay, and has remained at that level through 2021-22.

The State also contributes to CalSTRS, and the State's total contribution also increased from approximately 3% in Fiscal Year 2013-14 to 8.328% of payroll in fiscal year 2022-23, plus the continued payment of 2.5% of payroll annual for a supplemental inflation protection program, for a total State contribution rate of 10.828%.

The funding plan enacted through AB 1469 and related legislation provides the State Teachers Retirement Board (the "STRS Board") with authority to modify, based upon recommendations from its actuary, the percentages paid by employers and employees starting in 2021-22 and each fiscal year thereafter to eliminate the CalSTRS unfunded actuarial obligation by June 30, 2046, provided that the employer contribution rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to CalSTRS are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. The STRS Board also has authority to reduce employer and State contributions if they are no longer necessary.

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 CalSTRS 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 unfunded 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 CalSTRS 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. Subsequently, the State's 2020-21 Budget redirected \$2.3 billion previously appropriated to CalSTRS and CalPERS pursuant to SB 90 for long-term unfunded liabilities to further reduce the employer contribution rates in fiscal year 2020-21 and 2021-22. As a result, the effective employer contribution rates were 16.15% in fiscal year 2020-21 and 16.92% in fiscal year 2021-22.

As of June 30, 2021, the actuarial valuation (the "2021 CalSTRS Actuarial Valuation") for the entire CalSTRS defined benefit program showed an estimated unfunded actuarial liability of \$89.7 billion, based on an actuarial value of assets, a significant decrease of approximately \$16 billion from the June 30, 2020 valuation. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2021, and June 30, 2020, based on the actuarial assumptions, were approximately



73.0% 67.1%, respectively. According to the 2021 CalSTRS Actuarial Valuation, the funded ratio increased by 5.9% during the past year.

As shown in the below table, the employer contribution rate projected for fiscal year 2022-23 is 19.1% of covered payroll. The effective employer contribution rates, as adjusted/reduced by State appropriations, from fiscal year 2014-15 through 2021-22, are shown in the following schedule:

**TABLE No. A-2**  
**K-14 SCHOOL DISTRICT CONTRIBUTION RATES**  
**CalSTRS (Defined Benefit Program)**

<b>Effective Date</b>	<b>Employer Contribution Rate <sup>(1)</sup></b>
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	17.10 <sup>(2)</sup>
July 1, 2020	16.15 <sup>(3)</sup>
July 1, 2021	16.92
July 1, 2022	19.10 <sup>(4)</sup>

<sup>(1)</sup> Expressed as a percentage of covered payroll.

<sup>(2)</sup> The 2019-20 State Budget provided supplemental payments to CalSTRS, reducing the employer contribution rate from 18.13% to 17.10% for fiscal year 2019-20.

<sup>(3)</sup> The 2020-21 State Budget reallocated the supplemental State payment allocated in the 2019-20 State Budget, to instead be used solely to reduce employer contribution rates, to approximately 16.15% in fiscal year 2020-21.

<sup>(4)</sup> Projected.

Source: CalSTRS, AB 1469, the 2019-20 State Budget, and the 2020-21 State Budget.

The District’s total employer contributions to CalSTRS for fiscal years 2015-16 through 2021-22 were equal to 100% of the required contributions for each year (see Table No. A-1 above). Due to the expected increase in employer contribution rates under AB 1469, the District anticipates that its contributions to CalSTRS will increase in future fiscal years as compared to prior fiscal years. The District, nonetheless, is unable to predict all factors or any changes in law that could affect its required contributions to CalSTRS in future fiscal years.

**CalPERS.** The District contributes to the School Employer Pool under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Laws.

All qualifying classified employees of K-12 school districts in the State are members in CalPERS, and all of such districts participate in the same plan. As such, all such districts share the same contribution rate in each year. However, unlike school districts' participating in CalSTRS, the school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability. Accordingly, the District cannot provide any assurances that its required contributions to CalPERS in future years will not significantly vary from any current projected levels.

Active plan members hired before January 1, 2013 are required to contribute 7.0% of their salary, members hired after January 1, 2013, contribute at an actuarially determined rate, which was 6% of their respective salaries in fiscal years 2015-16 and 2016-17, 6.50% in fiscal year 2017-18 and 7.00% in fiscal year 2018-19 through 2021-22. (See discussion of rates in *California Public Employees' Pension Reform Act of 2013* below.) The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration (the "CalPERS Board"). On April 18, 2022, the CalPERS Board increased the fiscal year 2022-23 employee contribution rate for members subject to the Reform Act from 7.00% of earnings to 8.00%.

School districts are required to contribute to CalPERS at an actuarially determined rate. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with 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 employer contribution adopted for fiscal year 2021-22 was 25.2%, with annual adjustments thereafter, resulting in a projected 22.6% employer contribution rate for fiscal year 2026-27. State legislation enacting the 2020-21 State Budget reallocated State contributions to the Schools Pool, resulting in adjusted CalPERS employer contribution rates reduced from the adopted/projected rates, to 20.70% in fiscal year 2020-21 and 23.00% in fiscal year 2021-22.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2021 (the "2021 CalPERS Schools Pool Actuarial Valuation"), was presented in summary form to the CalPERS Board on April 18, 2022, and such summary reported an actuarial accrued liability of \$104.06 billion with the market value of assets at \$71.4 billion, and a funded status of 68.6%. The actuarial funding method used in the 2021 CalPERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method." The 2020 CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 6.8% compounded annually (net of administrative expenses) as of June 30, 2021.

On April 18, 2022, the CalPERS Board set the fiscal year 2022-23 employer contribution rate at 25.37%. Employer contribution rates for 2020-21 and projected through 2027-28 are shown in the following table.

**TABLE No. A-3  
EMPLOYER CONTRIBUTION RATES  
CALPERS**

Fiscal Year	Employer Contribution Rate <sup>(1)</sup>
2020-21	20.7%
2021-22	23.0
2022-23	25.4
2023-24 <sup>(2)</sup>	25.2
2024-25 <sup>(2)</sup>	24.6
2025-26 <sup>(2)</sup>	23.7
2026-27 <sup>(2)</sup>	22.6
2027-28 <sup>(2)</sup>	22.6

Note: The CalPERS Board is expected to approve official employer contribution rates for each fiscal year, during the preceding fiscal year.

<sup>(1)</sup> Expressed as a percentage of covered payroll.

<sup>(2)</sup> Projected.

Source: CalPERS

The District’s contributions to CalPERS for fiscal years 2015-16 through 2021-22 equaled 100% of the required contributions for each year (see Table No. A-1 above). The District anticipates that its contributions to CalPERS will increase in future fiscal years as the increased costs are phased into CalPERS actuarial assumptions.

**Potential Impact of COVID-19 on Pension Liabilities.** The economic consequences of the COVID-19 pandemic, including the potential for volatility in the U.S. and global stock markets, could have a material impact on the investments in the State pension trusts, which could materially increase either or both CalSTRS’ and CalPERS’ unfunded pension liabilities, which, in turn, could result in material changes to the required employer contribution rates in future fiscal years. As to CalSTRS, however, under existing law, the CalSTRS Board may not increase the employer contribution rate by more than 1% in any fiscal year, up to a maximum employer contribution rate of 20.25%.

The District is unable to predict whether or to what extent its required employer contribution rates, or its proportionate share of net pension liability, in connection with CalSTRS or CalPERS, may be affected by the COVID-19 pandemic.

**California Public Employees’ Pension Reform Act of 2013.** The Governor signed the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”) into law on September 12, 2012. PEPRA affects both CalSTRS and CalPERS, most substantially as they relate to new employees hired after January 1, 2013 (the “Implementation Date”). As it pertains to CalSTRS participants hired after the Implementation Date, PEPRA changes the normal retirement age, increasing the eligibility for the 2% “age factor” (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety CalPERS

participants hired after the Implementation Date, PEPRA changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

PEPRA also implements certain other changes to CalPERS and CalSTRS including the following: (a) all new participants enrolled in CalPERS and CalSTRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalSTRS and CalPERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for CalSTRS members who retire with 25 years of service), and (c) "pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for CalSTRS and CalPERS members not participating in Social Security, while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

**GASB 67 and 68.** In June 2012, the Government Accounting Standards Board ("GASB") approved a pair of related statements, Statement Number 67, Financial Reporting for Pension Plans ("Statement Number 67"), which addresses financial reporting for pension plans, and Statement Number 68, Accounting and Financial Reporting for Pensions ("Statement Number 68"), which establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. The guidance contained in these statements changed how governments calculate and report the costs and obligations associated with pensions. Statement Number 67 replaced the requirements of Statement Number 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, for most public employee pension plans, and Statement Number 27 replaced the requirements of Statement Number 27, Accounting for Pensions by State and Local Governmental Employers, for most government employers. The new statements also replaced the requirements of Statement Number 50, Pension Disclosures, for those governments and pension plans. Certain of the major changes include: (i) the inclusion of unfunded pension liabilities on the government's balance sheet (such unfunded liabilities are currently typically included as notes to the government's financial statements); (ii) full pension costs are now shown as expenses regardless of actual contribution levels; (iii) lower actuarial discount rates are now required to be used for most plans for certain purposes of the financial statements, resulting in increased liabilities and pension expenses; and (iv) shorter amortization periods for unfunded liabilities are now required to be used for certain purposes of the financial statements, which generally increased pension expenses. Statement Number 67 took effect in fiscal years beginning after June 15, 2013, and Statement Number 68 took effect in fiscal years beginning after June 15, 2014.

As of June 30, 2021, the District's proportionate share of net CalSTRS pension liability was \$27,204,000, and the District's proportionate share of net CalPERS pension liability was \$13,494,000. The District's proportionate share of net pension liability for each plan is based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all

participating employers, actuarially determined. For further information regarding the District's net pension liability, see also "APPENDIX C - AUDIT REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note 7 - Net Pension Liability – State Teachers' Retirement Plan and Note 8 - Net Pension Liability – Public Employer's Retirement Fund B" herein."

### **Other Post-Employment Benefits**

In addition to the retirement plan benefits with CalSTRS and CalPERS discussed above, the District provides certain post-retirement healthcare benefits, in accordance with District employment contracts. The District's Board of Trustees administers the District's Postemployment Benefit Plan (the "Plan"). The Plan is a single-employer defined benefit plan that is used to provide post-employment benefits other than pension benefits ("OPEB") for eligible retirees and their spouses. Membership in the Plan consists of 59 inactive employees, all of which are receiving benefits, and 254 active employees entitled to, but not yet receiving benefits.

**GASB 75.** In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("Statement Number 75"). Statement Number 75 is effective for employer fiscal years beginning after June 15, 2017. OPEB generally include post-employment health benefits (medical, dental, vision, prescription drug and mental health), life insurance, disability benefits and long-term care benefits. The objective of Statement Number 75 is to improve accounting and financial reporting by the State and local governments for OPEB by requiring the recognition of entire OPEB liability, a more comprehensive measure of OPEB expense, new note disclosures and certain required supplementary information. In addition, Statement Number 75 sets forth additional accounting methods to improve the usefulness of information about OPEB included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability. Statement Number 75 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. Statement Number 75 replaces GASB Statements Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and Number 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.

The benefit payment requirements of the Plan members and the District are established and may be amended by the District and the employee labor groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the labor agreements. For fiscal year 2020-21, the District paid \$175,383 in benefits.

**OPEB Liability.** The District's OPEB liability was measured as of June 30, 2021, determined by an actuarial valuation as of that date. Standard actuarial update procedures are used to project/discount from valuation to measurement dates. The estimated pay-as-you-go cost of providing retiree benefits in the year beginning July 1, 2021 is \$175,383. The pay-as-you-go cost is the cost of benefits for current retirees. For current employees, the value of the benefits accrued in the year beginning July 1, 2021, is

\$683,849. The District belongs to the Self-Insured Schools of California GASB 45 Trust A, a GASB 75 qualifying trust, where the District holds \$1,293,237 of assets, as of June 30, 2021. This leaves a net OPEB liability of \$5,093,960.

The following table shows the changes in the District’s total and net OPEB liability for fiscal year 2020-21:

**TABLE No. A-4**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**Changes in OPEB Liability as of June 30, 2021**

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2020	\$8,454,096	\$1,003,078	\$7,451,018
Service Cost	683,849	0	683,849
Interest	348,333	0	348,333
Employer Contributions	0	175,383	(175,383)
Assumption Changes	(1,703,301)	0	(1,703,301)
Investment Income	0	291,835	(291,835)
Investment Gains/Losses	(1,220,397)	0	(1,220,397)
Benefit Payments	(175,383)	(175,383)	0
Administrative Expenses	-	(1,676)	6,676
<b>Net Change</b>	<b>(2,066,899)</b>	<b>290,159</b>	<b>(2,357,058)</b>
<b>Balance at June 30, 2021</b>	<b>\$6,387,197</b>	<b>\$1,293,237</b>	<b>\$5,093,960</b>

*Source: Audit Report of the District for fiscal year ended June 30, 2021.*

### **Public Entity Risk Pools and Joint Powers Authorities**

The District is a member of two Joint Powers Authorities (“JPAs”), Self-Insured Schools of California (“SISC”), for the insurance related to health care, and Central Region School Insurance Group (“CRSIG”), for common risk management and insurance related to workers’ compensation, property/liability and health care. The District pays an annual premium to the applicable entity for its health, workers’ compensation, and property liability coverage.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage since the prior year. The relationships between the District, the pools, and the JPAs are such that they are not component units of the District for financial reporting purposes.

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

For more information regarding the risk management pools, see APPENDIX C— “AUDIT REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2021,” Note 10 – Joint Powers Agreements.

## **Cybersecurity**

The District relies on technology infrastructure to conduct its operations. Further, the District routinely collects, processes, and distributes private, protected and personal information on students, staff, parents, visitors, and contractors. As custodian of such information, the District may face various cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. No assurances can be given that the security and operational control measures of the District will be successful in guarding against any and each cyber threat and attack. The results of any attack on the computer and information technology systems could have a material adverse impact on the operations of the District and damage the digital networks and systems. The District cannot predict the outcome of any such attack, nor the effect on the operations and finances of the District.

The District maintains cybersecurity insurance in the event of an attack. Further, the District, with the assistance of the County Office of Education, conducts cybersecurity training and drills in order to keep District employees aware of and trained against common threats and attacks.

## **DISTRICT FINANCIAL INFORMATION**

*The following selected financial information provides a brief overview of the District’s finances. This financial information has been extracted from the District’s Audit Report and, in some cases, from unaudited information provided by the District’s Business office. See APPENDIX C – “AUDIT REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2021.”*

### **State Funding of Education; State Budget Process**

*The following information concerning the State’s funding of education and the State budget process has been compiled from publicly-available information provided by the State. Neither the District, the Financial Advisor, nor the Underwriter is responsible for the information relating to the State’s budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer’s Office.*

**Revenue Limit Funding.** Prior to fiscal year 2013-14, school districts operated under general purpose revenue limits established by the California 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. Beginning in fiscal year 2013-14, school districts are funded based on uniform funding grants assigned to certain grade spans.

**Local Control Funding Formula.** State Assembly Bill 97 (Stats. 2013, Chapter 47) (“A.B. 97”), enacted as part of the 2013-14 State budget, established a new system for funding school districts, charter schools and county offices of education. Certain provisions of A.B. 97 were amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49) (“S.B. 91”).

The primary component of A.B. 97, as amended by S.B. 91, was the implementation of the Local Control Funding Formula (“LCFF”). Beginning in fiscal year 2013-14, the bulk of funding for school districts is being provided on the basis of target base funding grants per unit of ADA (each, a “Base Grant”) assigned to each of four grade spans. Each Base Grant is subject to certain adjustments, as further described herein. According to a report published by the State Legislative Analyst’s Office, the State general fund cost of fully implementing the LCFF in fiscal year 2013-14 would have been approximately \$18 billion more than what was spent on education in the prior fiscal year (assuming current levels of property tax revenue, ADA and enrollment). Given this cost, the LCFF was implemented over a span of six fiscal years, during which time school districts received annual funding increases based on the gap between their respective prior-year funding level and the target LCFF allocation following full implementation. In each year, each school district saw the same proportion of their funding gap closed, with dollar amounts varying depending on the size of a district’s funding gap. The State’s cost to fund the LCFF in each fiscal year fluctuates depending on a number of factors, including the provision of COLAs, fluctuations in ADA and student demographics, and growth in property tax revenues.

The specific Base Grants, beginning in fiscal year ended 2013-14, per unit of ADA, for each grade span were as follows: (a) \$6,845 for grades K-3; (b) \$6,947 for grades 4-6; (c) \$7,154 for grades 7-8; and (d) \$8,289 for grades 9-12. Beginning in fiscal year 2013-14, and in each subsequent year, the Base Grants have been adjusted for COLAs by applying the implicit price deflator for government goods and services. The provision of the COLAs is currently 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. As of fiscal year 2018-19, school districts and charter schools are fully-funded under LCFF.

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 support college and career readiness programs in high schools. Following full implementation of the new funding system in 2018-19, and unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant.

The 2020-21 State Budget suspended the statutory cost-of-living adjustment in fiscal year 2020-21. The 2021-22 State Budget included a cost-of-living adjustment of 4.05%, representing a fiscal year 2020-21 cost-of-living adjustment of approximately 2.3% and a fiscal year 2021-22 cost-of-living adjustment of approximately 1.7%. The 2021-22 State Budget also includes \$520 million in Proposition 98 general fund resources to provide a 1% increase in LCFF base funding. Such discretionary increase, together with the



compounded cost-of-living adjustment, resulted in growth of LCFF of 5.07% above the fiscal year 2020-21 levels. The 2022-23 State Budget funds a COLA of 6.56%, the largest COLA in the history of the LCFF.

The Base Grants per unit of ADA for fiscal year 2021-22, before accounting for grade span adjustments, but accounting for the 2021-22 funded COLA of 2.7%, are as follows: (a) \$8,093 per ADA for kindergarten through grade 3; (b) \$8,215 per ADA for grades 4 through 6; (c) \$8,458 per ADA for grades 7 and 8; and (d) \$9,802 per ADA for grades 9 through 12.

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 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.

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

Certain school districts, 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. Basic aid 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 basic aid 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 is an LCFF District, not a basic aid school district.

**Accountability.** The SBE has adopted regulations regarding the expenditure of supplemental and concentration funding. These regulations include a requirement 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, as well as 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 A.B. 97. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs are required to be adopted every three years, beginning in fiscal year 2014-15, and updated annually thereafter. The SBE has adopted a template LCAP for use by school districts. The District adopted its most recent LCAP update on June 21, 2022, and adopted a budget overview for parents at the same meeting.

***Support and Intervention.*** A.B. 97 establishes a new system of support and intervention to assist school districts to 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 (a) the LCAP or annual update adheres to the SBE template, and (b) 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 priorities, or the assignment of an academic expert to assist the district to identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by A.B. 97 and charged with assisting school districts to achieve the goals set forth in their LCAPs. In late 2015, the SBE developed rubrics to assess school district performance and the need for support and intervention.

A.B. 97 also authorizes the State Superintendent of Public Instruction (the “State Superintendent”), with the approval of the SBE, 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 (a) modify a district’s LCAP, (b) impose budget revisions designed to improve student outcomes, and (c) 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 under A.B. 97 to rescind an action required by a local collective bargaining agreement.

## Enrollment

The District's ADA is the primary determinant of state funding through the LCFF. See "State Funding of Education – Local Control Funding Formula," above. For fiscal years 2019-20, 2020-21, and 2021-22, the District has remained funded at pre-pandemic ADA levels due to State bills passed in response to the COVID-19 pandemic. Starting this fiscal year, 2022-23, in order to allow school districts to adjust to enrollment-related funding declines and minimize the impacts of a single-year drop in enrollment, the 2022-23 State Budget amends the LCFF calculation to consider the greater of a school district's current year, prior year, or the average of three prior years' ADA. Due to demographic factors in the District, and due to COVID-19 pandemic-related factors contributing to student absences, withdrawals, and transfers, the District's 2022-23 P-2 actual ADA is projected to be approximately 2,172, down 6% from the projected funded-basis ADA shown in Table No. A-5 below.

Changes in local property tax income and ADA affect LCFF districts and community funded districts differently. In an LCFF district, such as the District, increasing enrollment increases the total amount distributed under the LCFF and thus generally increases a district's entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs slowly increase disproportionately to enrollment growth; and only at the point where additional teachers and facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools.

In community funded districts, the opposite is generally true: increasing enrollment increases the amount to which the district would be entitled were it an LCFF district, but since all LCFF income (and more) is already generated by local property taxes, there is no increase in State income, other than the \$120 per student in basic aid, as described above. Meanwhile, as new students impose increased operating costs, property tax income is stretched further. Declining enrollment does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

The District cannot predict whether and to what extent the State will mitigate LCFF funding decreases caused by potential decline in ADA should the pandemic continue or worsen in the 2022-23 school year or beyond, or what impact the pandemic will have on the District's ADA in the future.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

The following table shows a breakdown of the District’s ADA by grade span (using P-2 ADA for fiscal years 2013-14 through 2018-19, and funded-basis ADA for fiscal years 2019-20 through 2022-23), total enrollment, and the percentage of EL/LI student enrollment for fiscal years 2013-14 through 2022-23.

**Table No. A-5**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**ADA, Enrollment, and EL/LI Enrollment Percentage**  
**Fiscal Years 2016-17 through 2022-23**

Fiscal Year	Average Daily Attendance <sup>(1)</sup>				Enrollment <sup>(2)</sup>		
	K-3	4-6	7-8	9-12	Total ADA	Total Enrollment	% of EL/LI Enrollment <sup>(3)</sup>
2016-17	702	463	340	693	2,198	2,302	85.7
2017-18	692	499	314	767	2,272	2,402	86.3
2018-19	720	485	323	760	2,288	2,429	86.5
2019-20 <sup>(4)</sup>	726	473	321	756	2,276	2,446	85.8
2020-21 <sup>(4)</sup>	737	475	333	778	2,323	2,398	82.4
2021-22 <sup>(4)</sup>	738	477	325	769	2,309	2,411	80.7
2022-23 <sup>(4) (5)</sup>	649	486	293	744	2,172	2,383	79.5

<sup>(1)</sup> Excludes charter schools, county instructed, adult education and regional occupational program students. All figures are rounded to the nearest whole number.

<sup>(2)</sup> Except for 2022-23, reflects “census day” enrollment figures.

<sup>(3)</sup> For purposes of calculating Supplemental and Concentration Grants, 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 will be 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.

<sup>(4)</sup> Funded ADA, not actual ADA, per SB 98, and LCFF statutes enacting the 2022-23 State Budget.

<sup>(5)</sup> Projected funded ADA.

Source: The District.

**Charter Schools.** The District is currently operating one charter school within the District: Riverbank Language Academy. Riverbank Language Academy, serving grades K-8 with a projected enrollment of approximately 565 students in fiscal year 2022-23, is fiscally dependent on the District with its financial activities included in the District’s financial statements, though not a part of the District’s general fund.

To the extent charter schools draw students from school districts and reduce school district enrollment, charter schools can adversely affect school district general fund revenues. Certain per-pupil expenditures of a school district also decrease based upon the number of students enrolled in charter schools. Pursuant to Proposition 39, school districts are required to provide facilities reasonably equivalent to those provided to regular district students for charter schools having a projected average daily attendance of at least 80 or more students from that district.

## Revenue Sources

Major revenue sources of the District are described below.

**LCFF Revenues.** State funding, under the LCFF, consists mainly of Base Grants and Supplemental Grants. For fiscal year 2019-20, the District received \$27,285,125 from the LCFF or approximately 76.43% of its general fund revenues. For fiscal year 2020-21, the District received \$26,671,585 from the LCFF or approximately 68.06% of its general fund revenues. For fiscal year 2021-22, the District received \$28,394,810 from the LCFF, or approximately 59.62% of its general fund revenues. For fiscal year 2022-23, the District has budgeted to receive approximately \$29,387,927 from the LCFF, or approximately 73.96% of its budgeted general fund revenues.

**Federal Revenues.** The federal government provides funding for several District programs, including Title I, IDEA Basic Local Assistance Entitlement, Part B, Carl D. Perkins Career and Technical Education, and NCLB Title III. Most of these “Federal Revenues” received by the District are restricted. 2020-21 and 2021-22, the District experienced an increase in Federal Revenues attributed to the various grant funding allocated to school districts in response to the COVID-19 pandemic. For fiscal year 2019-20, the District received \$3,060,050 from Federal Revenues, comprising approximately 8.57% of general fund total revenues. For fiscal year 2020-21, the District received \$5,935,789 from Federal Revenues, comprising approximately 15.15% of general fund total revenues. For fiscal year 2021-22, the District received \$9,820,425 in Federal Revenues, or approximately 20.62% of its general fund revenues. For fiscal year 2022-23, the District has budgeted to receive approximately \$2,331,926 in Federal Revenues, or approximately 5.87% of its budgeted general fund revenues.

**Other State Revenues.** In addition to LCFF revenues, the District receives other State revenues. These “Other State Revenues” are primarily restricted revenues funding items such as the After School Education and Safety (ASES), Career Technical Education Incentive Grant and College Readiness Grant. For fiscal year 2019-20, the District received \$3,033,860 from Other State Revenues, comprising approximately 8.50% of general fund total revenues. For fiscal year 2020-21, the District received \$4,290,270 from Other State Revenues, comprising approximately 10.95% of general fund total revenues. For fiscal year 2021-22, the District received \$6,754,095 from the Other State Revenues, or approximately 14.18% of its general fund revenues. For fiscal year 2022-23, the District has budgeted to receive approximately \$5,099,133 from Other State Revenues, or approximately 12.83% of its budgeted general fund revenues.

The District receives State aid from the California State Lottery (the “Lottery”), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the increase in Lottery revenues over 1997-98 levels must be restricted to use on instruction material. The District has budgeted receipt of \$495,271 in Lottery money for fiscal year 2022-23.

**Other Local Revenues.** In addition to property taxes, the District receives additional local revenues from items such as interest earnings. For fiscal year 2019-20, the District received \$2,320,975 from Other Local Revenues, comprising approximately 6.50% of general fund total revenues. For fiscal year 2020-21, the District received \$2,289,525 from Other Local Revenues, comprising approximately 5.84% of general fund total revenues. For fiscal year 2021-22, the District received \$2,665,610 from Other Local Revenues, or approximately 5.60% of its general fund revenues. For fiscal year 2022-23, the District has budgeted to receive approximately \$2,916,352 from the Other Local Revenues, or approximately 7.34% of its budgeted general fund revenues.

## **State Budget Measures**

**The State Budget Process and Proposition 98 Education Funding.** According to the State Constitution, the Governor of the State (the “Governor”) must propose a budget to the State Legislature no later than January 10 of each year. Under an initiative constitutional amendment approved by the State’s voters on November 2, 2010, as “Proposition 25,” a final budget must be adopted by a majority vote (rather than a supermajority, as was the case prior to the passage of Proposition 25) of each house of the Legislature no later than June 15, although this deadline has been breached in the past. Any tax increase provision of such final budget shall continue to require approval by a two-thirds majority vote of each house of the State Legislature. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. As discussed below, the Governor signed the most recent adopted State budget, for fiscal year 2022-23 (“2022-23 State Budget”) into law on June 30, 2022.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each district’s State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the Constitution (such as appropriations for salaries of elected State officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. The State Controller has posted guidance as to what can and cannot be paid during a budget impasse at its website: [www.sco.ca.gov](http://www.sco.ca.gov). Should the Legislature fail to pass the budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues.

The Proposition 98 funding amount for education in a given year varies throughout the stages of the budget and appropriation process, from the Governor’s January budget proposal to the final adopted budget, and may continue to evolve even through actual expenditures and post-year-end revisions to the prior year budget.

If, at year-end, the guaranteed amount is calculated to be higher than the amount of Proposition 98 funding appropriated in that year, the difference becomes an additional education funding obligation,

referred to as “settle-up.” If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as “maintenance factor.”

Although the California Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State’s response to fiscal difficulties in some years has had a significant impact upon the Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers’ unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009, and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years’ Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring apportionments of Proposition 98 funds from one fiscal year to the next; by suspending Proposition 98, as the State did in fiscal years 2004-05 and 2010-11 through 2012-13; and by proposing to amend the State Constitution’s definition of the guaranteed amount and settle-up requirement under certain circumstances.

**Assembly Bill 86.** On March 4, 2021, the Governor signed into law Assembly Bill 86 (“AB 86”), urgency legislation which provides approximately \$6.6 billion to accelerate the return of in-person school instruction and expand student support. Specifically, AB 86 provided \$2 billion for in-person instruction grants to local educational agencies (with the exception of non-classroom based charter schools and independent study programs) that can be used for, among other things, personal protective equipment, ventilation upgrades and COVID-19 testing. To qualify for the funding, local educational agencies were required to offer in-person instruction for Kindergarten through second grade, and all grades levels for high-need students, by March 31, 2021, losing 1% of eligible funds for every day thereafter if they did not.

Local educational agencies forfeited eligibility for all AB 86 funding if they did not resume in-person instruction by May 15, 2021. Funding will be allocated proportionally on the basis of LCFF funding entitlements, determined as of the fiscal year 2020-21 second principal apportionment certification.

The remaining \$4.6 billion was allocated for supplemental instruction and support for social and emotional well-being. Funding was be allocated proportionally on the basis of LCFF funding entitlements, determined as of the fiscal year 2020-21 second principal apportionment certification. Local educational agencies also received an additional \$1,000 for each homeless pupil enrolled in the 2020-21 fiscal year.

AB 86 also supported the safe reopening of schools by (i) setting aside 10% of available vaccines for education workers, (ii) requiring certain COVID-19-related data reporting, and (iii) providing additional funding for the State’s “Safe Schools Team,” for technical assistance and oversight to schools that experience COVID-19 outbreaks.

**2022-23 State Budget.** On June 30, 2022, the Governor signed the State budget for fiscal year 2022-23 (the “2022-23 State Budget”). The following information is drawn from the State Department of Finance’s summary of the 2022-23 State Budget.

For fiscal year 2021-22, the 2022-23 State Budget projects total general fund revenues and transfers of \$277.1 billion and authorizes expenditures of \$242.9 billion. The State is projected to end the 2021-22 fiscal year with total reserves of \$46.7 billion, including \$18.2 billion in the traditional general fund reserve, \$20.3 billion in the BSA, \$7.3 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. For fiscal year 2022-23, the 2022-23 State Budget projects total general fund revenues and transfers of \$219.7 billion and authorizes expenditures of \$234.4 billion. The State is projected to end the 2022-23 fiscal year with total reserves of \$37.2 billion, including \$3.5 billion in the traditional general fund reserve, \$23.3 billion in the BSA, \$9.5 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. The 2022-23 State Budget includes deposits to the PSSSA of \$3.1 billion, \$4 billion and \$2.2 billion attributable to fiscal years 2020-21 through 2022-23, respectively. The balance of \$7.1 billion in the PSSSA in fiscal year 2021-22 triggers school district reserve caps beginning in fiscal year 2022-23. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2” herein.

The 2022-23 State Budget sets total funding for all K-12 education programs at \$128.6 billion, including \$78.6 billion from the State general fund. This results in per-pupil funding of \$22,893, including \$16,993 from Proposition 98 sources. The minimum funding guarantee in fiscal year 2022-23 is set at \$110.4 billion. The 2022-23 State Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2020-21 and 2021-22, setting them at \$96.1 billion and \$110.2 billion, respectively. Collectively, this represents a three-year increase in the minimum funding guarantee of \$35.8 billion over the level projected by the 2021-22 Budget. Test 1 is projected to be in effect over this three year period.

Other significant features relating to K-12 education funding include the following:

- *Local Control Funding Formula.* The 2022-23 State Budget funds a COLA of 6.56% to LCFF apportionments, the largest COLA in the history of the LCFF. To assist school district and charter schools address ongoing fiscal pressures, staff shortages and other operational needs, the 2022-23 State Budget includes \$4.32 billion in ongoing Proposition 98 funding to increase LCFF base



funding by an additional 6.28%. With respect to county offices of education, the 2022-23 State Budget includes \$101.2 million in ongoing, augmented LCFF funding. To support the fiscal stability of all local educational agencies, including those with declining student populations, the 2022-23 State Budget amends the LCFF calculation to consider the greater of a school district's current year, prior year or average of three prior years' ADA. Finally, to minimize reductions in LCFF funding that would otherwise occur due to increased absences in fiscal year 2021-22, the 2022-23 State Budget enables all classroom-based local educational agencies that can demonstrate they provided independent study offerings to students in fiscal year 2021-22 to be funded at the greater of their current year ADA or their current year enrollment, adjusted for pre-COVID-19 absence rates in the 2021-22 fiscal year. The 2022-23 State Budget also allows classroom-based charter schools to be similarly funded. The 2022-23 State Budget reflects \$2.8 billion in ongoing Proposition 98 funding and \$413 million in one-time Proposition 98 funding to implement these stabilization policies.

- *Learning Recovery.* The 2022-23 State Budget establishes the Learning Recovery Emergency Fund and appropriates \$7.9 billion in one-time Proposition 98 funding to establish a block grant to support local educational agencies in establishing learning recovery initiatives.
- *Discretionary Block Grant.* \$3.6 billion in one-time, discretionary Proposition 98 funding to school districts, county offices of education, charter schools and State special schools to be spent on a variety of purposes, including arts and music programs, professional development, instructional materials, operational costs and expenses related to the COVID-19 pandemic.
- *Student Supports.* The 2021-22 State Budget provided \$3 billion, available over several years, to expand and strengthen the implementation and use of community school models in communities with high levels of poverty. Community schools typically integrate health, mental health and other services for students and families and provide these services directly on school campuses. The 2022-23 State Budget includes an additional \$1.1 billion in one-time Proposition 98 funding to expand access to community schools.
- *Educator Workforce.* The 2021-22 State Budget provided \$2.9 billion to support a variety of initiatives intended to further expand the State's educator preparation and training infrastructure, including meeting the needs of early childhood educators. To further support this effort, the 2022-23 State Budget provides \$48.1 million in one-time funding to waive certain teacher examination fees, \$20 million in one-time funding to develop and implement integrated teacher preparation programs, \$2.7 million to fund State operational support for teacher credentialing, and \$1.4 million to establish career counselors for prospective educators.
- *Educator Preparation, Retention and Training.* The 2022-23 State Budget funds a variety of additional educator workforce initiatives, including (i) \$250 million in one-time Proposition 98 funding to expand residency slots for teachers and school counselors, (ii) \$85 million in one-time Proposition 98 funding to create Pre-Kindergarten through 12th grade educator resources and

professional learning in science technology, engineering and math, and (iii) \$35 million in one-time Proposition 98 funding, available over three years, for educator training in computer science, special education and support for English-learners.

- *Universal Transitional Kindergarten.* \$614 million in ongoing Proposition 98 funding to expand eligibility for transitional kindergarten to include all children turning five years old between September 2 and February 2, beginning in the 2022-23 fiscal year. To accommodate expected enrollment increases related to the expansion of transitional kindergarten, the 2022- 23 Budget will rebench the Test 1 percentage of State revenues allocated to education. Additionally, the 2022-23 State Budget includes \$383 million in Proposition 98 funding to add one additional certificated or classified employee to every transitional kindergarten class, which is expected to reduce student-to-adult ratios to more closely align with the State’s preschool program. Finally, the 2022-23 State Budget provides \$100 million of one-time funding in 2022-23, and \$550 million of funding in 2023-24, to support the construction or retrofit of school facilities for the purpose of providing classrooms for transitional kindergarten, full-day kindergarten or preschool.
- *Expanded Learning Time.* \$3 billion of Proposition 98 funding as part of a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and foster youth. Pursuant to this plan, all local educational agencies will receive funding for expanded learning opportunities based on their numbers of such students. Beginning in fiscal year 2023-24, local educational agencies will be required to offer expanded learning opportunities to all low-income students, English language learners and foster youth. Local educational agencies with the highest concentrations of these students will be required to offer expanded learning opportunities to all students. The 2022-23 State Budget continues to assume full implementation of this program by fiscal year 2025-26.
- *Literacy.* \$250 million in one-time Proposition 98 funding, available over five years, for grants to high-needs schools to train and hire literacy coaches and reading specialists to guide productive classroom instruction and offer one-on-one and small group intervention for struggling readers.
- *Community Engagement.* \$100 million in one-time Proposition 98 funding to expand the reach of an initiative included in prior budgetary legislation which builds the capacity of local educational agencies to engage more effectively with their communities.
- *Special Education.* \$500 million in ongoing Proposition 98 funding to increase in the Statewide base funding rate for special education funding.
- *College and Career Pathways.* \$500 million in one-time Proposition 98 funding, over seven years, to support the development of college and career pathways program focused on technology (including computer science, green technology and engineering), health care, education and climate-related fields. Additionally, the 2022-23 State Budget includes \$200 million in one-time

Proposition 98 funding, available over four years, to strengthen and expand student access and participation in dual enrollment opportunities.

- *Home-to-School Transportation.* \$637 million in ongoing Proposition 98 funding to reimburse local educational agencies for up to 60% of their prior year transportation costs. In addition, commencing in fiscal 2023-24, the 2022-23 State Budget reflects the application of an ongoing COLA to the current LCFF Home-to-School Transportation add-on. Finally, the 2022-23 State Budget provides \$1.5 billion in one-time Proposition 98 funding, available over five years, to support the greening of school buses as part of a Statewide zero-emissions initiative.
- *Nutrition.* \$596 million in Proposition 98 funding to create universal access to subsidized school meals. The 2022-23 State Budget provides an additional \$611.8 million in ongoing Proposition 98 funding to augment State meal program reimbursements rates beginning in fiscal year 2022-23, in order to allow local educational agencies to continue offering higher quality and more diverse meals for students. Additionally, the 2022-23 State Budget includes \$600 million in one-time Proposition 98 funding, available over three years, to upgrade school kitchen infrastructure and equipment, provide food service employee training and incorporate fresh, minimally-processed, California-grown foods in school meals. The 2022-23 State Budget also provides an additional \$100 million in one-time Proposition 98 funding to support local educational agency procurement practices for plant-based or restricted diet meals, as well as to procure California-grown or California-produced, sustainably grown and whole or minimally processed foods. Finally, the 2022-23 State Budget includes an additional \$30 million in one-time Proposition 98 funding for the California Farm to School Program, which connects local producers and school food buyers, increases food education opportunities and engages schools and students with the agricultural community.
- *Facilities.* \$1.4 billion in State general obligation bond funding to support school construction projects. This represents the final installment available to K-12 school districts under Proposition 51. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 51” herein. The 2022-23 State Budget also provides \$1.3 billion in one-time funding in fiscal year 2022-23, \$2.1 billion of such funds in 2023-24 and \$875 million of such funds in fiscal year 2024-25, to support new construction and modernization projects through the State’s school facility program. Finally, the 2022-23 State Budget includes \$30 million in ongoing Proposition 98 funding to support eligible facilities costs for the Charter School Facility Grant Program.
- *Classified Staff.* An increase of \$35 million in one-time Proposition 98 funding, and \$90 million in ongoing Proposition 98 funding, for the Classified School Employee Summer Assistance Program, which provides supplemental pay for classified staff during the intersessional months when they are not employed.

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

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

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

***Future State Budgets.*** The District cannot predict what actions will be taken in the future by the 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. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District.

## **District Accounting Practices**

The California Department of Education imposes by law uniform financial reporting and budgeting requirements for K-12 school districts. Financial transactions are accounted for in accordance with the California Department of Education's California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts, including the District. Significant accounting policies followed by the District are explained in Note 1 to the District's audited financial report for the fiscal year ended June 30, 2021, which is included as APPENDIX C.

District 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 that accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Revenues are recognized when measurable and available except for certain revenue sources that are not susceptible to accrual. Expenditures are recognized in the accounting period in which the liability is incurred.

## **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 apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's Audit Report for fiscal year ended June 30, 2021, was prepared by Crowe LLP, Sacramento, California. The auditor has not participated in the preparation of this Official Statement. The Audit Report for the District for the fiscal year ended June 30, 2021, and prior fiscal years are on file with the District and available for public inspection at the Office of the Superintendent of the District. See APPENDIX C – "AUDIT REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2021." Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. The District may impose a charge for copying, mailing and handling.

Audited Financial Statements. Independently audited financial reports are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year. The District's auditor has not been requested to consent to the use or to the inclusion of its report in this Official Statement, and it has not audited or reviewed this Official Statement. The District is required by law to review its audited financial report after a public meeting conducted, under normal circumstances, by January 31 following the close of each fiscal year. The District has provided its audited financial report for the fiscal year ended June 30, 2021 to the Board of Trustees of the District who reviewed it at its March 1, 2022 meeting.

## **District Budget Process and County Review**

The District is required by State law to adopt a final budget by July 1 in each year. The 2022-23 budget was adopted by the District on June 21, 2022, and is subject to future adjustment by the District during fiscal year 2022-23. Throughout the fiscal year, all revenues and appropriations are subject to review and since the budget must remain in balance, any shortfall in revenues could require a reduction in appropriations. State law requires local governments to maintain a balanced budget and the District anticipates that it will have no difficulty in complying with the State requirement.

The District is under the jurisdiction of the Stanislaus County Superintendent of Schools (the "County Superintendent"), which is an office separate from the County. The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required

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

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

The following table shows the audited General Fund income and expense statements for the District for fiscal years 2018-19 through 2020-21.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

**Table No. A-6**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**Summary of General Fund Revenues, Expenditures**  
**and Changes in Fund Balance**  
**For Fiscal Years 2018-19 through 2020-21** <sup>(1) (2)</sup>

	<b>Audited</b> <b>2018-19</b>	<b>Audited</b> <b>2019-20</b>	<b>Audited</b> <b>2020-21</b>
<b><u>Revenues</u></b>			
LCFF sources	\$26,470,448	\$27,285,125	\$26,671,585
Federal sources	3,614,456	3,060,050	5,935,789
Other state sources	3,964,120	3,033,860	4,290,270
Other local sources	2,181,786	2,320,975	2,289,525
<b>Total Revenues</b>	<b>\$36,230,810</b>	<b>\$35,700,010</b>	<b>\$39,187,169</b>
<b><u>Expenditures</u></b>			
Certificated Salaries	13,414,926	13,771,815	13,594,448
Classified Salaries	5,505,242	6,072,144	5,306,281
Employee Benefits	9,113,045	8,057,927	7,783,227
Books and Supplies	2,093,379	1,696,415	2,547,343
Services and Other Operating Expenditures	6,174,025	5,950,832	6,770,927
Other Outgo	888,547	753,754	701,906
Capital Outlay	110,848	179,416	328,821
Debt Service:			
Principal Retirement	293,255	324,328	375,000
Interest	187,568	342,062	--
<b>Total Expenditures</b>	<b>\$37,780,835</b>	<b>\$37,148,693</b>	<b>\$37,407,953</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 1,550,025</b>	<b>\$(1,448,683)</b>	<b>\$ 1,779,216</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Interfund transfers in	\$ 1,829,232	\$ 1,971,853	\$1,934,325
--Interfund transfers out	(1,015,000)	(292,000)	(114,154)
<b>Net Other Financing Sources (Uses)</b>	<b>\$ 814,232</b>	<b>\$ 1,679,853</b>	<b>\$ 1,820,171</b>
<b>Net Change in Fund Balances</b>	<b>\$ (735,793)</b>	<b>\$ 231,170</b>	<b>\$ 3,599,387</b>
<b>Fund Balance, Beginning July 1</b>	<b>\$8,418,362</b>	<b>\$7,682,569</b>	<b>\$ 7,913,739</b>
<b>Fund Balance, Ending June 30</b>	<b>\$7,682,569</b>	<b>\$7,913,739</b>	<b>\$11,513,126</b>

<sup>(1)</sup> Restricted and unrestricted general fund revenues.

<sup>(2)</sup> Columns may not sum to totals due to rounding.

Source: District's Audit Report for fiscal years ended June 30, 2019, 2020, and 2021.

The following table summarizes the general fund revenues and expenditures from the District's Estimated Actuals for fiscal year 2021-22 and adopted general fund budget for fiscal year 2022-23.

**TABLE No. A-7**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**General Fund Estimated Actuals (FY 2021-22) and General Fund Budget (FY 2022-23)** <sup>(1) (2)</sup>

	<b>2021-22</b>	<b>2022-23</b>
	<b>Estimated Actuals</b>	<b>Adopted Budget</b>
<b>REVENUES</b>		
LCFF Sources	\$28,394,810	\$29,387,927
Federal Revenue	9,820,425	2,331,926
Other State Revenue	6,754,095	5,099,133
Other Local Revenue	2,665,610	2,916,352
<b>TOTAL REVENUES</b>	<b>\$47,634,940</b>	<b>\$39,735,338</b>
<b>EXPENDITURES</b>		
Certificated Salaries	\$17,159,895	\$15,134,059
Classified Salaries	6,707,008	5,836,051
Employee Benefits	9,709,680	9,018,519
Books and Supplies	4,460,452	1,960,450
Services, Other Operating Expenses	10,212,789	7,739,380
Capital Outlay	446,706	101,398
Other Outgo (Excl. Trf. of Indirect Costs)	1,137,547	1,409,360
Other Outgo (Transfers of Indirect Costs)	(178,080)	(97,176)
<b>TOTAL EXPENDITURES</b>	<b>\$49,655,997</b>	<b>\$41,102,041</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (2,021,057)</b>	<b>\$ (1,366,703)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	\$ 1,886,313	\$ 1,886,313
(Transfers Out)	(85,000)	(85,000)
Contributions	--	--
<b>TOTAL, OTHER FINANCING SOURCES (USES)</b>	<b>\$ 1,801,313</b>	<b>\$ 1,801,313</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (219,744)</b>	<b>\$ 434,610</b>
<b>FUND BALANCE BEGINNING <sup>(3)</sup></b>	<b>\$11,513,124</b>	<b>\$11,293,380</b>
<b>FUND BALANCE ENDING</b>	<b>\$11,293,380</b>	<b>\$11,727,990</b>

<sup>(1)</sup> Totals may not sum due to rounding.

<sup>(2)</sup> Restricted and Unrestricted General Fund Revenues and Expenditures

Source: District's Adopted Budget for fiscal year 2022-23.



## Reports and Certifications

A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Pursuant to A.B. 1200, the Education Code of the State of California (Section 42130 *et seq.*) requires each school district to report and certify two times during the fiscal year, by way of filing interim certifications with the County Superintendent, whether it is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the subsequent fiscal year. The first report covers the period ending October 31 and the second report covers the period ending January 31. Such certifications are based on the governing board's assessment based on standards and criteria for fiscal stability adopted by the State Board of Education and the State Superintendent of Public Instruction. Each certification is required to be classified as positive, qualified, or negative on the basis of a review of the respective report against such criteria, but may include additional financial information known by the governing board to exist at the time of each certification. Such certifications are to be filed with the County Superintendent of Schools within forty-five days after the close of the period being reported and, in the event of a negative or qualified certification, to the State Controller and the State Superintendent of Public Instruction. 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 to be assigned to any school district that likely will be unable to meet its financial obligations for the remainder of the fiscal year or for which existing expenditure practices jeopardize the ability of the district to meet its multi-year financial commitments.

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

For school districts under fiscal distress, the county superintendent of schools is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. A county superintendent, however, is not authorized to approve any diversion of revenue from *ad valorem* taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, receive an emergency appropriation from the State, the acceptance of which constitutes an agreement to submit to management of the school district by a superintendent appointed administrator.

In the past three years, the District has not had an adopted budget disapproved by the County Superintendent of Schools, and has not received a "negative" or "qualified" certification of an interim financial report pursuant to A.B. 1200.

## Long-Term Debt

The District's long-term debt as of June 30, 2021, is summarized below.

**Table No. A-8**  
**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**Long Term Debt** <sup>(1)</sup>

	<b>Balance</b>			<b>Balance</b>	<b>Due in</b>
	<b>July 1, 2020</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2021</b>	<b>One Year</b>
General Obligation Bonds					
Bonds	\$15,876,960	--	\$ 569,160	\$15,307,800	\$ 790,000
Accreted Interest	6,485,487	\$ 792,300	320,840	6,956,947	--
Unamortized Premiums	1,180,811	--	57,799	1,123,012	57,799
Certificates of Participation					
COPs	8,495,201	--	475,000	8,020,201	514,828
Accreted Interest	670,893	100,250	150,172	620,971	171,219
Net OPEB Liability	7,451,018	--	2,357,058	5,093,960	--
Net Pension Liability	36,275,000	4,423,000	--	40,698,000	--
Compensated Absences	49,648	--	14,708	34,942	--
<b>Total</b>	<b>\$76,485,018</b>	<b>\$5,315,550</b>	<b>\$3,944,735</b>	<b>\$77,855,833</b>	<b>\$1,568,788</b>

<sup>(1)</sup> Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local property tax revenues. Payments on Certificates of Participation are made from the General Fund, Building Fund and Capital Projects Blended Component Fund. Payments on the net OPEB liability and compensated absences are made from the fund for which the related employee worked.

Source: Audit Report of the District for fiscal year ended June 30, 2021.

## General Obligation Bonds

In addition to the Bonds, the District has other series of general obligation bonds currently outstanding, which are secured by *ad valorem* taxes upon all property subject to taxation by the District (collectively, the "General Obligation Bonds"). See, "THE BONDS – Other General Obligation Bonds" in the front part of this official statement.

## Certificates of Participation

In August 2008, the District issued \$5,884,512 of current interest and capital appreciation Certificates of Participation ("2008 Certificates") to finance the costs of renovating, acquiring, constructing, modernizing, repairing and equipping of District buildings and other facilities. In November 2016, the District issued refunding certificates of participation ("2016 Refunding Certificates") which refunded the callable portion of the 2008 Certificates. The 2008 Certificates, capital appreciation portion, mature in varying amounts during the succeeding years through 2029.

In July 2010, the District issued \$4,365,000 of current interest Taxable Certificates of Participation, 2010 Series A (Direct Subsidy Qualified School Construction Bonds) and, in August, 2010, the District issued \$160,000 of current interest Taxable Certificates of Participation, 2010 Series B (together, the “2010 Certificates”) to finance the costs of construction and improvement of District facilities. The 2010 Certificates mature in varying amounts during the succeeding years through 2027.

In November 2016, the District issued its 2016 Refunding Certificates of Participation (“2016 Refunding Certificates”) in the amount of \$6,005,000. The 2016 Refunding Certificates were issued to provide funds to refinance the construction, acquisition and installation of certain capital facilities within the District and refund a portion of the 2008 Certificates. The 2016 Refunding Certificates mature in varying amounts during the succeeding years through November 2038.

The annual requirements to retire the Certificates outstanding as of June 30, 2021 are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 514,828	\$ 748,428	\$ 1,263,256
2023	623,781	737,806	1,361,587
2024	596,707	620,568	1,217,275
2025	596,076	593,527	1,189,603
2026	586,102	570,492	1,156,594
2027-2031	1,717,707	2,213,287	3,930,994
2032-2036	2,020,000	390,762	2,410,762
2037-2039	1,365,000	69,841	1,434,841
	<b>\$8,020,201</b>	<b>\$5,944,711</b>	<b>\$13,964,912</b>

### 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 A.B.x1 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 A.B.x1 27, a companion bill to A.B.x1 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. A.B.x1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to school districts and county offices of education, totaling \$1.7 billion statewide.

A.B.x1 26 was modified by Assembly Bill 1484 (Chapter 26, Statutes of 2011-12) (“A.B. 1484”), which, together with A.B.x1 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 A.B.x1 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 2% pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (A.B. 1290, Chapter 942, Statutes of 1993) ("A.B. 1290"), are restricted to educational facilities without offset against revenue limit apportionments by the State. Only 43.3% of A.B. 1290 pass-throughs are offset against State aid so long as the District uses the monies received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

A.B.x1 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 pursuant to the operation of A.B.x1 26 using current assessed values and pursuant to statutory pass-through 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. A.B. 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 revenue limit apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies any other surplus property tax revenues pursuant to the Dissolution Act.

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

## **CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS**

The principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* property tax levied by the County on all property subject to taxation by the District within the boundaries of the District for the payment thereof as described herein, see “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.” Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of Bonds was approved by the voters in compliance with Article XIII A, Article XIII C, and all applicable laws.

### **Article XIII A of the California Constitution**

Article XIII A of the State Constitution (“Article XIII A”) limits the amount of *ad valorem* taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A 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 XIII A 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 the voters in November of 1978, provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front part of this Official Statement.

Article XIII A 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*, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978; or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978; or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. In addition, Article XIII A 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.

### **Legislation Implementing Article XIII A**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. 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 relevant 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.

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

## **Proposition 19 Ballot Measure**

A ballot measure on the November 2020 Statewide ballot known as “Proposition 19” was approved by the voters. Proposition 19 amends Article XIII A, to permit eligible homeowners to transfer tax assessments anywhere in the State, narrow existing special rules for inherited properties, and broaden the scope of triggers for reassessment of properties. Any additional revenues and net savings resulting from the ballot measure will be allocated to fire protection services and reimbursing local governments for taxation-related changes. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on District revenues or assessed valuation of real property in the District.

## **State-Assessed Utility 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. Under the State Constitution, such property is assessed by the State Board of Equalization (“SBE”) as part of a “going concern” rather than as individual pieces of real or personal property. Such State-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

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

## **Article XIII B of the California Constitution**

Article XIII B of the State Constitution (“Article XIII B”), 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 XIII B defines:

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

(b) “change in population” with respect to a school district to mean the percentage change in the average daily attendance (“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 Fiscal Year 1986-87 adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIII B, as amended.

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

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

Article XIII B 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 XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See “Propositions 98 and 111” herein.

### **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIII C and XIII D (respectively, “Article XIII C” and “Article XIII D”), 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 XIIC 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; 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 XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIID deals with assessments and property, related fees and charges, and explicitly provides that nothing in Article XIIC or XIID 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 XIII A of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

### **Proposition 26**

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIC 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: (a) 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; (b) 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; (c) 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; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (e) 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; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIID. 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.

## Propositions 98 and 111

On November 8, 1988, voters of the State of California 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 the State general fund revenues as the percentage appropriated to such districts in 1986-87; 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 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 would be 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 would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B 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 a given State budget.

On June 5, 1990, the voters of the State of California approved Proposition 111 (Senate Constitutional Amendment No. 1) called the “Traffic Congestion Relief and Spending Limit Act of 1990” (“Proposition 111”) which further modified Article XIII B 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 XIII B 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 XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools’ minimum funding level. Further, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts’ base expenditures for calculating their entitlement for State aid in the next year, and the State’s appropriations limit is not to be increased by this amount.

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

(d) *Recalculation of Appropriations Limit.* The Article XIII B 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 Fiscal Year 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 (i) 40.9% of State general fund revenues (the “first test”) or (ii) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the “second test”). Under Proposition 111, schools will receive the greater of (A) the first test; (B) the second test, or (C) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a “credit” to schools (also referred to as a “maintenance factor”) that will be paid in future years when State general fund revenue growth exceeds personal income growth.

## Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. This amendment (a) 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 (b) 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, and property taxes could only exceed this limit to pay for (i) any local government debts approved by the voters prior to July 1, 1978, or (ii) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement applies only if the local bond measure presented to the voters includes: (a) 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; (b) 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 (c) 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 enacting Proposition 39, approved in June 2000, placed certain additional limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for a high school or elementary school district), or \$25 (for a community college district), per \$100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIII A 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. See also, "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - Tax Rates" herein.

### *Jarvis v. Connell*

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California). The 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 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 (a) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (b) shift property taxes from local governments to schools or community colleges, (c) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature, or (d) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on State transportation bonds, to borrow or change the distribution of State fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for State mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office 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.

### **Proposition 30**

On November 6, 2012, voters of the State of California approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate

of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax is being levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending in the taxable year ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (a) 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), (b) 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 (c) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers).

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 the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030. Proposition 55 did not extend the temporary State Sales and Use Tax rate increase enacted under Proposition 30, which expired as of January 1, 2017.

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

## **Proposition 2**

On November 4, 2014, 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 is generally 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 Fiscal Year 2029-30, 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 to 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 XIII B 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 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.

**Senate Bill 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 ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the 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.

**Senate Bill 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 immediate 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, all basic aid school districts (also known as community funded districts) and all small school districts having fewer than 2,501 units of ADA.

The District is not a basic aid district, however, the District's ADA is fewer than 2,501. Accordingly, the District is not impacted by the reserve requirements imposed by SB 858.

## **Proposition 51**

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

Proposition 51 includes \$3 billion for the new construction of K-12 facilities and an additional \$3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional state grant funding, up to 100% of the



project costs. In addition, a total of \$1 billion will be available for the modernization and new construction of charter school (\$500 million) and technical education (\$500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at \$3 million for a new facility and \$1.5 million for a modernized facility. Charter schools must be deemed financially sound before project approval.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and the above-described Propositions 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 any potential future measures cannot be anticipated by the District.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX B

### AREA ECONOMIC AND DEMOGRAPHIC INFORMATION

*The following information concerning the County of Stanislaus (the “County”) and the City of Riverbank (the “City”) is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of the County, the City, other listed cities, the State or any of its political subdivisions, and neither the County, the City, other listed cities, the State nor any of its political subdivisions are liable therefor.*

The District is located in and serves students in and around the City of Riverbank in the County of Stanislaus, California.

#### Stanislaus County

The County is located in California’s Central Valley, to the east of Silicone Valley and the San Francisco Bay Area. The area of the County covers approximately 1,521 square miles and reaches from the Sierra Nevada foothills to California’s coastal range. It is located in the geographic center of the State. The County had a 2022 population of 549,466. The County’s economy is largely driven by agriculture and related industries such as food processing.

#### City of Riverbank

The City of Riverbank, located in the County, covers a total area of 4.1 square miles and had a 2022 population of 24,583.

#### Population

The following table shows the population of the City and the County for the last five years.

#### POPULATION OF THE CITY OF RIVERBANK AND THE COUNTY OF STANISLAUS 2018 through 2022 (as of January 1 for each year shown)

	2018	2019	2020	2021	2022
City of Riverbank	24,856	25,041	25,133	24,735	24,583
Stanislaus County Total (including Riverbank)	550,289	553,131	554,931	551,737	549,466

*Source: California State Department of Finance.*

## Employment and Industry

The unemployment rate in the County was estimated to be 5.2% in August 2022 (not seasonally adjusted), up slightly compared to the revised estimate of 5.0% for July 2022, and down significantly from the high unemployment rate attributed to the effects of the COVID-19 pandemic, which peaked in the County at 17.0% in April, 2020. This compares with an unadjusted unemployment rate of 4.1% for California in August 2022, and 3.8% for the United States for the same period.

The following table summarizes the civilian labor force, employment, and unemployment in the Modesto Metropolitan Statistical Area, which comprises the same territory as the County, for the calendar years 2017 through 2021 (the last year for which data are available). These figures are County-wide statistics and may not necessarily accurately reflect employment trends in the District.

### MODESTO MSA (Stanislaus County) Civilian Labor Force, Employment and Unemployment by Industry (Annual Averages)

	2017	2018	2019	2020	2021
Civilian Labor Force <sup>(1)</sup>	242,000	243,100	242,900	241,700	239,500
Employment	223,700	227,200	227,900	214,900	219,500
Unemployment	18,200	15,800	14,900	26,800	20,000
Unemployment Rate	7.5%	6.5%	6.2%	11.1%	8.4%
<b>Wage and Salary Employment: <sup>(2)</sup></b>					
Total Farm	14,300	14,400	14,900	14,500	13,800
Total Nonfarm	174,700	179,100	181,400	172,800	178,000
Mining, Logging & Construction	9,300	10,200	10,500	9,800	10,600
Manufacturing	21,400	21,600	21,400	21,100	22,000
Trade, Transportation & Utilities	37,000	37,400	37,700	37,100	37,500
Wholesale Trade	6,100	6,300	6,200	6,000	5,700
Retail Trade	23,200	23,200	22,800	21,900	23,000
Information	1,000	1,000	1,000	800	800
Financial Activities	5,300	5,300	5,300	5,000	4,900
Professional & Business Services	14,900	15,400	51,300	14,900	15,300
Educational & Health Services	32,600	33,600	34,700	34,300	34,900
Leisure & Hospitality	19,200	19,300	19,200	15,700	18,100
Other Services	5,700	5,800	5,900	5,100	5,500
State Government	2,100	2,200	2,100	2,100	2,000
Local Government	25,500	26,600	27,400	26,000	25,700
Total All Industries <sup>(3)</sup>	175,800	181,000	186,300	189,200	191,700

<sup>(1)</sup> Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

<sup>(2)</sup> Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

<sup>(3)</sup> Columns may not add to totals due to rounding.

Source: State of California Employment Development Department.

## Largest Employers

The following table shows the principal employers in the County.

### STANISLAUS COUNTY Principal Employers (Sorted Alphabetically)

<b>Employer Name</b>	<b>Location</b>	<b>Industry</b>
Amazon Fulfillment Ctr	Patterson	Mail Order Fulfillment Services
Bartles & Jaymes Co	Modesto	Wineries (mfrs)
Bronco Wine Co	Ceres	Wineries (mfrs)
Conagra Brands Inc	Oakdale	Food Projects (whls)
Del Monte Foods Inc	Modesto	Food Products & Manufacturers
Duarte Nursery	Hughson	Nurserymen
Duarte Nursery Inc	Hughson	Nurserymen
E & J Gallo Winery	Modesto	Wineries (mfrs)
Emanuel Medical Ctr	Turlock	Hospitals
Foster Farms	Turlock	Poultry Processing Plants (mfrs)
Frito-Lay Inc	Modesto	Potato Chips (whls)
Health Services Agency	Modesto	Clinics
Memorial Medical Ctr	Modesto	Hospitals
Modesto Bee	Modesto	Newspapers (publishiers/mfrs)
Modesto Irrigation District	Modesto	Utilities
Oak Valley Hospital District	Oakdale	Health Care Management
Pacific Southwest Contnr LLC	Modesto	Corrugated & Solid Fiber Boxes (mfrs)
Patterson City Office	Modesto	City Government-Executive Offices
Stanislaus County Welfare Dept	Modesto	Government Offices – County
Storer Coachways	Modesto	Buses-Charter & Rental
Sysco Central CA – Whls Rstrnt	Modesto	Food Products (whls)
Temsa	Turlock	Nonclassified Establishments
Turlock Irrigation District	Turlock	Electric Companies
Vsp Products Inc	Newman	Dried/Dehydrated Fruits Vegetables
Walmart	Modesto	Department Stores

Source: California Employment Development Department, America's Labor Market Information System (ALMIS) Employer Database, 2022  
2nd Edition

[REMAINDER OF PAGE INTENTIONALLY BLANK]

## Median Household Income

The following table summarizes the median household income for the County, the State of California, and the United States for the years 2017 through 2021, the last year for which such information is available.

### COUNTY OF STANISLAUS, THE STATE OF CALIFORNIA, AND THE UNITED STATES Median Household Income, 2017 through 2021

	2017	2018	2019	2020	2021
Stanislaus County	\$49,297	\$49,573	\$50,125	\$51,591	\$54,260
California	61,094	61,489	61,818	63,783	67,169
United States	53,046	53,482	53,889	55,322	57,652

Source: U.S. Census Bureau, 2011-2021 American Community Survey 5-Year Estimates

## Commercial Activity

Summaries of taxable sales within the City and the County in recent years are shown in the following tables.

### COUNTY OF STANISLAUS Taxable Retail Sales Number of Permits and Valuation of Taxable Transactions

	Retail & Food Services		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015 <sup>(1)</sup>	7,096	\$5,501,958,575	10,898	\$8,240,827,174
2016	7,299	5,738,560,070	11,248	8,742,754,097
2017	7,245	6,054,077,794	11,210	8,972,620,398
2018	7,297	6,245,294,529	11,647	9,298,940,774
2019	7,442	6,465,962,736	12,084	9,679,826,460
2020	8,329	6,931,238,491	13,500	10,087,295,207
2021	7,848	8,695,929,664	12,854	12,336,565,051

<sup>(1)</sup> Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California Department of Tax and Fee Administration, Taxable Transactions.

**CITY OF RIVERBANK**  
**Taxable Retail Sales**  
**Number of Permits and Valuation of Taxable Transactions**

	Retail & Food Services		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015 <sup>(1)</sup>	243	\$235,539,721	327	\$257,433,028
2016	262	252,857,493	357	275,571,059
2017	252	267,144,654	344	287,815,409
2018	259	283,416,221	374	307,926,000
2019	261	291,984,297	386	314,897,877
2020	293	299,012,226	436	324,660,317
2021	250	354,667,853	402	386,210,834

<sup>(1)</sup> Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California Department of Tax and Fee Administration, Taxable Transactions.

**Construction Activity**

Building activity, including permit valuations and number of units, for the past five years in the County and the City is shown in the following tables.

**COUNTY OF STANISLAUS**  
**Residential Building Permits and Total Building Permit Valuations**

	2017	2018	2019	2020	2021
<b>Permit Valuation</b>					
New Single-family	\$168,250,579	\$141,972,204	\$117,995,946	\$138,915,104	\$165,543,786
New Multi-family	26,655,717	1,268,895	19,128,588	18,152,576	17,991,967
Res. Alterations/Additions	46,491,177	33,278,338	36,671,889	31,153,346	27,562,690
Total Residential	\$241,397,473	\$176,519,437	\$173,796,423	\$188,221,026	\$211,098,443
New Commercial	\$106,808,085	\$183,642,106	\$128,757,096	\$ 96,170,234	\$202,083,628
New Industrial	32,379,269	12,626,360	30,302,646	17,429,752	14,000,000
Non-Residential Alterations/Additions	99,818,261	54,449,470	104,465,776	68,270,255	47,614,712
Total Nonresidential	\$239,005,615	\$250,717,936	\$263,525,518	\$181,870,241	\$263,698,340
<b>New Dwelling Units</b>					
Single Family	788	684	561	646	707
Multiple Family	95	10	178	110	80
TOTAL	883	694	739	756	787

Source: Construction Industry Research Board, Building Permit Summary.

**CITY OF RIVERBANK**  
**Residential Building Permits and Total Building Permit Valuations**

	2017	2018	2019	2020	2021
<b>Permit Valuation</b>					
New Single-family	\$1,033,741	\$5,897,406	\$2,948,766	\$7,461,157	\$11,622,352
New Multi-family	0	0	0	0	353,089
Res. Alterations/Additions	191,610	352,821	801,068	762,318	341,785
Total Residential	\$1,225,351	\$6,250,227	\$3,749,834	\$8,223,475	\$12,317,226
New Commercial	\$583,506	\$1,133,888	\$ 570,328	\$1,152,393	\$ 2,773,119
New Industrial	0	0	0	0	0
Non-Residential					
Alterations/Additions	86,000	827,064	1,034,785	1,713,575	1,873,800
Total Nonresidential	\$669,506	\$1,960,952	\$1,605,113	\$2,866,150	\$4,646,919
<b>New Dwelling Units</b>					
Single Family	8	41	16	30	45
Multiple Family	0	0	0	0	2
TOTAL	8	41	16	30	47

*Source: Construction Industry Research Board, Building Permit Summary.*



**APPENDIX C**

**AUDIT REPORT OF THE DISTRICT  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

[THIS PAGE INTENTIONALLY LEFT BLANK]

**RIVERBANK UNIFIED SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

June 30, 2021

RIVERBANK UNIFIED SCHOOL DISTRICT  
Riverbank, California

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
For the year ended June 30, 2021

CONTENTS

INDEPENDENT AUDITOR'S REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION .....	12
STATEMENT OF ACTIVITIES.....	13
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS .....	14
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION .....	15
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS.....	16
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES .....	17
STATEMENT OF FIDUCIARY NET POSITION - TRUST FUND .....	19
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION - TRUST FUND.....	20
NOTES TO FINANCIAL STATEMENTS .....	21
REQUIRED SUPPLEMENTARY INFORMATION:	
GENERAL FUND BUDGETARY COMPARISON SCHEDULE .....	49
CHARTER SCHOOLS FUND BUDGETARY COMPARISON SCHEDULE.....	50
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY .....	51
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY.....	52
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS .....	54
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION .....	56

RIVERBANK UNIFIED SCHOOL DISTRICT  
Riverbank, California

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
For the year ended June 30, 2021  
(Continued)

CONTENTS

SUPPLEMENTARY INFORMATION:

COMBINING BALANCE SHEET - NON-MAJOR FUNDS .....	57
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - ALL NON-MAJOR FUNDS. ....	58
ORGANIZATION .....	59
SCHEDULE OF INSTRUCTIONAL TIME .....	60
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS.....	61
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS.....	62
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS - UNAUDITED.....	63
SCHEDULE OF CHARTER SCHOOLS.....	64
NOTES TO SUPPLEMENTARY INFORMATION.....	65
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS.....	66
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 <i>GOVERNMENT AUDITING STANDARDS</i> .....	69
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY UNIFORM GUIDANCE .....	71
FINDINGS AND RECOMMENDATIONS:	
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS.....	73
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS.....	77

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Riverbank Unified School District  
Riverbank, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Riverbank Unified School District, as of and for the year ended June 30, 2021, and related notes to the financial statements, which collectively comprise Riverbank Unified 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Riverbank Unified School District, as of June 30, 2021 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

---

(Continued)

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This resulted in a restatement of the beginning governmental activities net position and the beginning aggregate remaining fund information fund balance totaling \$132,979. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 11 and the Required Supplementary Information, such as the General Fund Budgetary Comparison Schedule, the Charter Schools Fund Budgetary Comparison Schedule, the Schedule of Changes in the District's Net Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 49 to 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 Riverbank Unified School District's basic financial statements. The accompanying schedule of expenditure of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the Schedule of Financial Trends and Analysis, 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 schedule of expenditure of federal awards and other supplementary information as listed in the table of contents, except for the Schedule of Financial Trends and Analysis, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Financial Trends and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

---

(Continued)

**Other Reporting Required by *Government Auditing Standards***

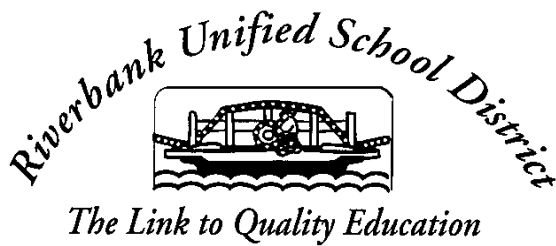
In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2022 on our consideration of Riverbank Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Riverbank Unified School District's internal control over financial reporting and compliance.



Crowe LLP

Sacramento, California  
January 26, 2022





6715 Seventh Street  
Riverbank, California 95367  
Phone (209) 869-2538  
Fax (209) 869-1487

This section of the Riverbank Unified School District's (the District) 2020-21 annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the District's financial statements, which immediately follows this section.

## OVERVIEW OF THE STATEMENTS

### The Financial Statements

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

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

The *Governmental Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The *Fiduciary Funds* are trust funds and are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

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

The Primary unit of the government is the Riverbank Unified School District.

## REPORTING THE DISTRICT AS A WHOLE

### The Statement of Net Position and the Statement of Activities

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

# RIVERBANK UNIFIED SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

---

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

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

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

**Governmental Activities** – The District reports all of its services in this category. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State and local grants, as well as general obligation bonds, finance these activities.

## REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

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

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

## THE DISTRICT AS A TRUSTEE

### Reporting the District's Fiduciary Responsibilities

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

# RIVERBANK UNIFIED SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

---

### THE DISTRICT AS A WHOLE

#### Net Position

The District's net position was negative \$13.1 million for the fiscal year ended June 30, 2021. Of this amount, negative \$38.8 million was unrestricted, primarily due to the fiscal impact of the implementation of GASB 68 (Net Pension Liability). Restricted net position is reported separately to show legal constraints from debt service, grantors, constitutional provisions, and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

**Table 1**

	Governmental Activities	
	2021	2020
<b>Assets</b>		
Current and other assets	\$ 30,027,061	\$ 23,384,560
Capital assets	34,791,336	35,747,928
<b>Total Assets</b>	<b>64,818,397</b>	<b>59,132,488</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows of resources	11,710,151	11,341,744
	<u>11,710,151</u>	<u>11,341,744</u>
<b>Liabilities</b>		
Current liabilities	5,836,467	2,701,112
Long-term obligations	77,855,833	76,485,018
	<u>83,692,300</u>	<u>79,186,130</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources	6,033,421	4,431,132
	<u>6,033,421</u>	<u>4,431,132</u>
<b>Net Position</b>		
Invested in capital assets, net of related debt	16,592,775	16,767,893
Restricted	8,989,057	7,646,518
Unrestricted	(38,779,005)	(37,557,441)
<b>Total Net Position</b>	<b>\$ (13,197,173)</b>	<b>\$ (13,143,030)</b>

The negative \$38.8 million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today, including all of our noncapital liabilities (compensated absences and proportionate share of defined benefit plan liabilities as examples), we would have a negative \$38.8 million.

# RIVERBANK UNIFIED SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

---

In June 2012 the Governmental Accounting Standards Board (GASB) issued a new Statement No. 68: Accounting and Financial Reporting for Pensions which was effective as of the 2014-2015 fiscal year causing the significant decrease in unrestricted net position. The statement requires state and local governmental employers providing defined benefit pensions; CalSTRS and CalPERS to recognize the District's proportionate share of the long term obligation for pension benefits in the District's financial statements. This statement is designed to increase transparency, accountability and to comparably measure the annual cost of pension benefits for the District. The implementation of GASB 68 has affected the District's long term debt and net assets. The District long term liabilities increased \$25 million due to the recognition of the long term obligation for defined benefit pension plans. The District will need to closely monitor our expenditures in the future and adhere strictly to the budget to maintain this unrestricted net position.

### Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 13. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

**Table 2**

Revenues	Governmental Activities	
	2021	2020
Program Revenues:		
Charges for services	\$ 354,269	\$ 414,474
Operating grants and contributions	14,046,955	9,509,658
General Revenues:		
Federal and state aid not restricted	29,792,289	30,083,779
Property taxes	5,204,760	5,102,684
Other general revenues	887,445	1,032,155
<b>Total Revenues</b>	<b>50,285,718</b>	<b>46,142,750</b>
Expenses		
Instruction	37,819,100	36,154,707
Student support services	4,127,201	4,863,298
Administration	2,381,738	2,572,840
Maintenance and operations	3,608,837	4,004,377
Other	2,535,964	2,743,705
<b>Total Expenses</b>	<b>50,472,840</b>	<b>50,338,927</b>
<b>Change in Net Position</b>	<b>\$ (187,122)</b>	<b>\$ (4,196,177)</b>

# RIVERBANK UNIFIED SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

---

### GOVERNMENTAL ACTIVITIES

As reported in the *Statement of Activities* on page 13, the cost of all of our governmental activities this year was \$50.4 million. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$5.2 million.

In Table 3, we have presented the net cost of each of the District's largest functions - instruction, student support services, administration, maintenance and operations, and other, as well as each program's *net* cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Instruction	\$ 37,819,100	\$ 36,154,707	\$ 25,890,745	\$ 28,897,507
Student support services	4,127,201	4,863,298	2,245,452	2,895,859
Administration	2,381,738	2,572,840	2,069,822	2,196,226
Maintenance and operations	3,608,837	4,004,377	3,530,880	3,997,403
Other	2,535,964	2,743,705	2,334,717	2,427,800
<b>Total</b>	<b>\$ 50,472,840</b>	<b>\$ 50,338,927</b>	<b>\$ 36,071,616</b>	<b>\$ 40,414,795</b>

### THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$24.6 million, which is an increase of \$3.5 million from the prior year.

#### General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on March 2, 2021. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report.

The key differences between the original budget, final budget and actual results is attributable to:

- Re-allocation of categorical program carryover from the prior year, and
- COVID-19 one-time state and federal relief funds, and
- Adjusted revenue and expenditures to project spending amounts and carryovers for current year.
- State hold-harmless for average daily attendance

As has been the practice of the District, Riverbank Unified School District does not reallocate categorical program carryover from the prior year until the financial records for the prior year are closed. Consequently, the original budget does not include revenues or expenditures related to categorical carryover, while the final budget and actual results reflects these carryovers.

# RIVERBANK UNIFIED SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

---

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At June 30, 2021, the District had \$34.8 million in a broad range of capital assets (net of depreciation), including land, buildings, and furniture and equipment. This amount reflected a net decrease (including additions, deductions and depreciation) of \$0.9 million, or 2.68 percent, from the prior year (Table 4).

**Table 4**

(Net of accumulated depreciation)	Governmental Activities	
	2021	2020
Land	\$ 1,436,501	\$ 1,436,501
Work-in-process	674,364	31,373
Building and improvements	32,293,717	33,768,985
Furniture and equipment	386,754	511,069
<b>Total</b>	<b>\$ 34,791,336</b>	<b>\$ 35,747,928</b>

#### Long-Term Obligations

At the end of this year, the District had \$77.8 million in long-term obligations outstanding versus \$76.5 million last year; an increase of 1.80 percent primarily due to the financial impact of GASB 68 (Net Pension Liability).

**Table 5**

	Governmental Activities	
	21	2020
General obligation bonds	\$ 23,387,759	\$ 23,543,258
Certificates of participation	8,641,172	9,166,094
Other postemployment benefits	5,096,960	7,451,018
Net pension liability	40,698,000	36,275,000
Other	34,942	49,648
<b>Total</b>	<b>\$ 77,858,833</b>	<b>\$ 76,485,018</b>

We present more detailed information regarding our long term obligations in Note 5 of the financial statements.

# RIVERBANK UNIFIED SCHOOL DISTRICT

## MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2021

---

### SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2020-2021 ARE NOTED BELOW:

- Completed the security cameras project at the Riverbank Language Academy.
- Completed roof replacement projects at Riverbank High School, Cardozo Middle School, California Avenue Elementary School and RLA.
- Completed the resurfacing of the community tennis courts.
- Completed replacement of the Riverbank High School.
- Continued full-day kindergarten program throughout the District.
- Continued implementation of Riverbank Academy of Multi-lingual Academy

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2021-2022 year, the District Board and management used the following criteria:

The key assumptions in our revenue forecast are:

- 1) The budget was initially based on the “May Revise”, which represents the Governor’s final recommended budget to our State Legislature and later revised based on the State adopted budget. The key components of the State Adopted Budget include:
  - a) A hold harmless of the Local Control Funding Formula due to COVID-19
  - b) Projected ADA of 2,682.79 (RUSD: 2,121.51 & RLA: 561.28)

Expenditures are based on the following forecasts:

	District Staffing Ratio	RLA Staffing Ratio	District enrollment	RLA Enrollment
Kindergarten through three	24:1	24:1	676	297
Grades four through six	30:1	30:1	514	186
Grades seven through twelve	30:1	30:1	1,115	98

The new items specifically addressed in the budget are:

- 1) Continued implementation of Local Control Funding Formula
- 2) Continued implementation of the Local Control Accountability Plan
- 3) Continued implementation of Advancement Via Individual Determination (AVID)
- 4) Riverbank Academy of Multilingual Education staffing and supplies
- 5) Continued rollout of 1:1 Student Devices and retirement of older devices

# RIVERBANK UNIFIED SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

---

### COVID-19 Impacts

On March 13, 2020, California Governor Gavin Newsom issued Executive Order N-26-20, proclaiming a State of Emergency to exist in California as a result of the threat of the COVID-19 virus, and providing that if any California school districts, county offices of education, and charter schools (each a "Local Educational Agency" or "LEA") closes its schools to address COVID-19, the LEA will continue to receive state funding during the period of closure. The District closed schools effective Monday, March 16, 2020, with school scheduled to resume April 6, 2020.

On March 17, 2020, the District announced that beginning March 18, 2020 through May 22, 2020, all of the District's school sites and offices would be closed with minimal site staff. The Governor also signed Senate Bill 117 ("SB 117") as urgency legislation effective immediately. For purposes of school district funding for fiscal year 2019-20, SB 117 limits the average daily attendance reported to the California Department of Education to include the full school months from July 1, 2019, to February 29, 2020. This condensed ADA period applies to school districts that comply with Executive Order N-26-20. SB 117 further states the intent of the State Legislature that a school district's employees and contractors be paid during the period of a school closure due to COVID-19. SB 117 also waived instructional time penalties that would otherwise accrue, as long as the school district superintendent, county superintendent or charter school administrator certify that the closure due to COVID-19 caused the school district to fall below applicable instructional time requirements. While SB 117 provided some immediate relief to school districts, the short-term and long-term impacts of the COVID-19 outbreak are unknown as the situation continues to evolve.

On March 19, 2020, the Governor issued Executive Order N-33-20, a State-wide stay at home order to protect the health and well-being of all Californians and to establish consistency across the State in order to slow the spread of COVID-19. Such order went into effect immediately.

The District has monitored guidelines and regulations from state and local agencies regarding COVID-19 and will continue to do so. On September 15, 2020, Staff presented to the Board of Trustees a 2020-2021 School Year Opening Plan. The Plan was submitted to the COE on September 22, 2020, and indicated a shared common purpose/goal to open the 2020-2021 school year on August 6th with detailed plans to address a variety of educational and operational options.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Chief Business Official, at Riverbank Unified School District, 6715 Seventh Street, Riverbank, California, 95367.



## **BASIC FINANCIAL STATEMENTS**

RIVERBANK UNIFIED SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
June 30, 2021

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments (Note 2)	\$ 21,720,818
Receivables	8,278,029
Stores inventory	28,214
Non-depreciable capital assets (Note 4)	2,110,865
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>32,680,471</u>
Total assets	<u>64,818,397</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources - pensions (Notes 7 and 8)	11,182,060
Deferred outflows of resources - OPEB (Notes 9)	39,494
Deferred loss on refunding of debt	<u>488,597</u>
Total deferred outflows	<u>11,710,151</u>
<b>LIABILITIES</b>	
Accounts payable	4,968,992
Unearned revenue	867,475
Long-term liabilities (Note 5):	
Due within one year	1,568,788
Due after one year	<u>76,287,045</u>
Total liabilities	<u>83,692,300</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources - pensions (Notes 7 and 8)	1,236,000
Deferred inflows of resources - OPEB (Note 9)	<u>4,797,421</u>
Total deferred inflows	<u>6,033,421</u>
<b>NET POSITION</b>	
Net investment in capital assets	16,592,775
Restricted:	
Legally restricted programs	4,988,049
Capital projects	2,575,380
Debt service	1,425,628
Unrestricted	<u>(38,779,005)</u>
Total net position	<u>\$ (13,197,173)</u>

See accompanying notes to financial statements.

RIVERBANK UNIFIED SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
For the year ended June 30, 2021

	Program Revenues				Net (Expense) Revenues and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:					
Instruction	\$ 32,112,574	\$ 262,434	\$ 10,083,273	\$ -	\$ (21,766,867)
Instruction-related services:					
Supervision of instruction	1,910,668	1,254	943,494	-	(965,920)
Instructional library, media and technology	549,511	-	-	-	(549,511)
School site administration	3,246,347	36,168	601,732	-	(2,608,447)
Pupil services:					
Home-to-school transportation	478,791	-	226,753	-	(252,038)
Food services	1,353,496	(91)	865,231	-	(488,356)
All other pupil services	2,294,914	28,221	761,635	-	(1,505,058)
General administration:					
Data processing	139,731	-	12,737	-	(126,994)
All other general administration	2,242,007	12,801	286,378	-	(1,942,828)
Plant services	3,608,837	10,562	67,395	-	(3,530,880)
Ancillary services	302,723	-	81,768	-	(220,955)
Interest on long-term liabilities	1,531,335	-	-	-	(1,531,335)
Other outgo	701,906	2,920	116,559	-	(582,427)
Total governmental activities	\$ 50,472,840	\$ 354,269	\$ 14,046,955	\$ -	(36,071,616)

General revenues:

Taxes and subventions:	
Taxes levied for general purposes	3,993,321
Taxes levied for debt service	1,211,439
Federal and state aid not restricted to specific purposes	29,792,289
Interest and investment earnings	273,359
Miscellaneous	614,086
	35,884,494
Total general revenues	35,884,494
Change in net position	(187,122)
Net position, July 1, 2020	(13,143,030)
Cumulative effect of GASB 84 implementation	132,979
Net Position, July 1, 2020, as restated	(13,010,051)
Net position, June 30, 2021	\$ (13,197,173)

See accompanying notes to financial statements.

RIVERBANK UNIFIED SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021

	General Fund	Charter Schools Fund	Building Fund	All Non-Major Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments:					
Cash in County Treasury	\$ 9,718,148	\$ 822,611	\$ 5,763,843	\$ 4,684,931	\$20,989,533
Cash in revolving cash account	7,209	-	-	-	7,209
Cash in banks	33,955	-	-	199,693	233,648
Cash with fiscal agent	-	-	12	462,852	462,864
Investments	27,564	-	-	-	27,564
Accounts receivable	6,283,838	1,717,482	-	276,709	8,278,029
Stores inventory	-	-	-	28,214	28,214
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total assets	<u>\$16,070,714</u>	<u>\$ 2,540,093</u>	<u>\$ 5,763,855</u>	<u>\$ 5,652,399</u>	<u>\$30,027,061</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 3,782,888	\$ 722,633	\$ -	\$ 7,571	\$ 4,513,092
Unearned revenue	774,700	92,775	-	-	867,475
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total liabilities	<u>4,557,588</u>	<u>815,408</u>	<u>                  </u>	<u>7,571</u>	<u>5,380,567</u>
Fund balances:					
Nonspendable	7,209	-	-	28,214	35,423
Restricted	1,619,544	1,724,685	5,763,855	5,616,614	14,724,698
Assigned	6,960,725	-	-	-	6,960,725
Unassigned	2,925,648	-	-	-	2,925,648
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total fund balances	<u>11,513,126</u>	<u>1,724,685</u>	<u>5,763,855</u>	<u>5,644,828</u>	<u>24,646,494</u>
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total liabilities and fund balances	<u>\$16,070,714</u>	<u>\$ 2,540,093</u>	<u>\$ 5,763,855</u>	<u>\$ 5,652,399</u>	<u>\$30,027,061</u>

See accompanying notes to financial statements.

RIVERBANK UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2021

Total fund balances - Governmental Funds		\$ 24,646,494
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$77,468,497 and the accumulated depreciation is \$42,677,161 (Note 4).</p>		34,791,336
<p>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 June 30, 2021 consisted of (Note 5):</p>		
General Obligation Bonds	\$ (22,264,747)	
Unamortized premiums	(1,123,012)	
Certificates of Participation	(8,641,172)	
Net OPEB liability (Note 9)	(5,093,960)	
Net pension liability (Notes 7 and 8)	(40,698,000)	
Compensated absences	(34,942)	
		(77,855,833)
<p>Deferred outflows of resources resulting from defeasance of debt are not recorded in governmental funds. In governmental activities, for advanced refunding resulting in the defeasance of debt reported in the governmental activities, the difference between the reacquisition price and the net carrying amount of the retired debt are reported as deferred outflows of resources.</p>		488,597
<p>In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported (Notes 7, 8, and 9).</p>		
Deferred outflows of resources relating to pensions	\$ 11,182,060	
Deferred outflows of resources relating to OPEB	39,494	
Deferred inflows of resources relating to pensions	(1,236,000)	
Deferred inflows of resources relating to OPEB	(4,797,421)	
		5,188,133
<p>In governmental funds, interest on long-term liabilities is not recognized until the period in which it matures and it paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.</p>		(455,900)
Total net position - governmental activities		\$ (13,197,173)

See accompanying notes to financial statements.

RIVERBANK UNIFIED SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the year ended June 30, 2021

	General Fund	Charter Schools Fund	Building Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Local control funding formula:					
State apportionment	\$ 23,633,509	\$ 6,286,027	\$ -	\$ -	\$ 29,919,536
Local sources	<u>3,038,076</u>	<u>-</u>	<u>-</u>	<u>212,000</u>	<u>3,250,076</u>
Total local control funding formula	<u>26,671,585</u>	<u>6,286,027</u>	<u>-</u>	<u>212,000</u>	<u>33,169,612</u>
Federal revenue	5,935,789	559,781	136,724	801,908	7,434,202
Other state revenue	4,290,270	657,418	-	82,607	5,030,295
Other local revenue	<u>2,289,525</u>	<u>18,655</u>	<u>94,150</u>	<u>1,960,282</u>	<u>4,362,612</u>
Total revenues	<u>39,187,169</u>	<u>7,521,881</u>	<u>230,874</u>	<u>3,056,797</u>	<u>49,996,721</u>
Expenditures:					
Current:					
Certificated salaries	13,594,448	2,447,225	-	-	16,041,673
Classified salaries	5,306,281	386,519	-	644,136	6,336,936
Employee benefits	7,783,227	1,145,462	-	288,961	9,217,650
Books and supplies	2,547,343	352,211	-	357,410	3,256,964
Services and other operating expenditures	6,770,927	146,260	10,000	91,091	7,018,278
Other outgo	701,906	-	-	-	701,906
Capital outlay	328,821	-	594,556	967,531	1,890,908
Debt service:					
Principal retirement	375,000	-	-	990,000	1,365,000
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>808,849</u>	<u>808,849</u>
Total expenditures	<u>37,407,953</u>	<u>4,477,677</u>	<u>604,556</u>	<u>4,147,978</u>	<u>46,638,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,779,216</u>	<u>3,044,204</u>	<u>(373,682)</u>	<u>(1,091,181)</u>	<u>3,358,557</u>
Other financing sources (uses):					
Transfers in	1,934,325	-	29,154	85,000	2,048,479
Transfers out	<u>(114,154)</u>	<u>(1,886,313)</u>	<u>-</u>	<u>(48,012)</u>	<u>(2,048,479)</u>
Total other financing sources (uses)	<u>1,820,171</u>	<u>(1,886,313)</u>	<u>29,154</u>	<u>36,988</u>	<u>-</u>
Net change in fund balances	3,599,387	1,157,891	(344,528)	(1,054,193)	3,358,557
Fund balances, July 1, 2020	<u>7,913,739</u>	<u>566,794</u>	<u>6,108,383</u>	<u>6,566,042</u>	<u>21,154,958</u>
Cumulative effect of GASB 84 implementation	-	-	-	132,979	132,979
Fund balance, July 1, 2020, as restated	<u>7,913,739</u>	<u>566,794</u>	<u>6,108,383</u>	<u>6,699,021</u>	<u>21,287,937</u>
Fund balances, June 30, 2021	<u>\$ 11,513,126</u>	<u>\$ 1,724,685</u>	<u>\$ 5,763,855</u>	<u>\$ 5,644,828</u>	<u>\$ 24,646,494</u>

See accompanying notes to financial statements.

RIVERBANK UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the year ended June 30, 2021

---

Net change in fund balances - Total Governmental Funds \$ 3,358,557

Amounts reported for governmental activities in the statement of activities are different because:

Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4). \$ 1,452,301

Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4). (2,408,893)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 5). 1,365,000

Amortization of premiums in an expense that is not recorded in the governmental funds. The difference between the debt issuance premium recognized in the current period and the issuance premium amortized in the current period is (Note 5): 57,799

Accretion of interest increases long-term liabilities in the government-wide financial statements and is not recorded in the fund financial statements (Note 5). (742,378)

In the governmental funds, interest on long-term liabilities is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. 15,610

Losses on refundings of debt are categorized as deferred outflows and are amortized over the shortened life of the refunded or refunding of the debt. (53,517)

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: (2,892,307)

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the year ended June 30, 2021

---

In governmental funds, OPEB expenses are recognized when employer contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis.

\$ (354,000)

In the statement of activities, expenses related to compensated absences are measured by the amounts earned. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 5).

14,706    \$ (3,545,679)

Change in net position of governmental activities

\$ (187,122)

---

See accompanying notes to financial statements.



RIVERBANK UNIFIED SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
TRUST FUND  
June 30, 2021

---

	Scholarship Trust <u>Fund</u>
<b>ASSETS</b>	
Cash and investments (Note 2)	\$ <u>4,687</u>
<b>NET POSITION</b>	
Restricted for scholarships	\$ <u>4,687</u>

---

See accompanying notes to financial statements.

RIVERBANK UNIFIED SCHOOL DISTRICT  
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION  
For the year ended June 30, 2021

---

	Scholarship Trust <u>Fund</u>
Income:	
Local revenues	\$ <u>4</u>
Change in net position	<u>4</u>
Net position, July 1, 2020	\$ <u>4,683</u>
Net position, June 30, 2021	\$ <u><u>4,687</u></u>

---

See accompanying notes to financial statements.

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Riverbank Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's California School Accounting Manual. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies.

Reporting Entity: Riverbank Unified School District was organized in 1919 and unified in 1998 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-12 as mandated by the State and/or Federal agencies. The District operates two elementary schools, one middle school, one high school, a continuation high school, and an independent study program.

On July 9, 2007, the District began operation of Riverbank Language Academy (the "Charter School"). The Charter School is sponsored by the District which acts as an oversight agency. The funding is received by the District and is passed through to the Charter School. The Charter School's activity is included within the District's financial statements as the Charter Schools Fund.

The District and Riverbank Unified School District Financing Corporation (the "Corporation") have a financial and operational relationship, which meets the reporting entity definition criteria of the Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Corporation as a blended component unit of the District. Therefore, the financial activities of the Corporation have been included in the basic financial statements of the District as a blended component unit.

The following are those aspects of the relationship between the District and the Corporation which satisfy *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100*, criteria:

A - Manifestations of Oversight

1. The Corporation's Board of Directors were appointed by the District's Board of Trustees.
2. The Corporation has no employees. The District's Superintendent and Director of Business Services function as agents of the Corporation. Neither individual received additional compensation for work performed in this capacity.
3. The District exercises significant influence over operations of the Corporation as it is anticipated that the District will be the sole lessee of all facilities owned by the Corporation.

B - Accounting for Fiscal Matters

1. All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.
2. Any deficits incurred by the Corporation will be reflected in the lease payments of the District. Any surpluses of the Corporation revert to the District at the end of the lease period.
3. It is anticipated that the District's lease payments will be the sole revenue source of the Corporation.
4. The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation.

---

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C - Scope of Public Service and Financial Presentation

1. The Corporation was created for the sole purpose of financially assisting the District.
2. The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State. The Corporation was formed to provide financing assistance to the District for construction and acquisition of major capital facilities. Upon completion the District intends to occupy all Corporation facilities. When the Corporation's Certificates of Participation have been paid with state reimbursements and the District's developer fees, title of all Corporation property will pass to the District for no additional consideration.
3. The Corporation's financial activity is presented in the financial statements in the Capital Projects Blended Component Unit Fund. Certificates of Participation issued by the Corporation are included in the government-wide financial statements.

Basis of Presentation - Financial Statements: The basic financial statements include a Management's Discussion and Analysis (MD & A) section providing an analysis of the District's overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a focus on the major funds in the fund financial statements.

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) N50.118-.121.

Program revenues: Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

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

Basis of Presentation - Fund Accounting: 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, liabilities, fund balances, revenues and expenditures. 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.

---

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A - Major Funds:

*General Fund* - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. For financial reporting purposes, the current year activity and year-end balances of the Special Reserve Fund for Other than Capital Outlay Projects is combined with the General Fund.

*Charter Schools Fund* - The Charter Schools Fund is a special revenue fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for charter schools.

*Building Fund* - The Building Fund is used to account for resources used for the acquisition of capital facilities by the District.

B - Other Funds:

*Special Revenue Funds* - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This classification includes the Student Activity Fund, Cafeteria Fund and Deferred Maintenance Fund.

*Capital Projects Funds* - The Capital Projects Funds are used to account for resources used for the acquisition of capital facilities by the District. This classification includes the Capital Facilities Fund, County School Facilities Fund, Special Reserve for Capital Outlay Fund and Capital Projects Blended Component Fund.

*Debt Service Fund* - The Bond Interest and Redemption Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

*Trust Fund* - Trust funds are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments, and are therefore, not available to support the District's own programs. The District's Trust Fund is the Scholarship Trust Fund.

Basis of Accounting: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual: Governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Modified Accrual: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

Budgets and Budgetary Accounting: By state law, the Board of Trustees must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Trustees satisfied these requirements.

Receivables: Receivables are made up principally of amounts due from the State of California. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2021.

Stores Inventory: Inventory is valued at latest invoice cost. Inventory recorded in the Cafeteria Fund consists mainly of consumable supplies. Inventory is recorded as an expenditure at the time individual inventory items are consumed or used in meal production.

Capital Assets: Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at acquisition value for the contributed asset. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 2 - 50 years, depending on asset types.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported, which is 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 shorter 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 liability and net OPEB liability reported in the Statement of Net Position.

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

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 8,560,185	\$ 2,621,875	\$ 11,182,060
Deferred inflows of resources	\$ 1,075,000	\$ 161,000	\$ 1,236,000
Net pension liability	\$ 27,204,000	\$ 13,494,000	\$ 40,698,000
Pension expense	\$ 6,066,588	\$ 2,472,513	\$ 8,539,101

Compensated Absences: Compensated absences in the amount of \$34,942 are recorded as a long-term liability of the District. The liability is for the earned but unused benefits.

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

Unearned Revenues: Revenues from federal, state and local special projects and programs are recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

Net Position: Net position is displayed in three components:

1. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position – Restrictions of the ending net position indicate the portions of net position not appropriable for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for capital projects represents the portion of net position restricted for capital projects. It is the District's policy to use restricted net position first when allowable expenditures are incurred.
3. Unrestricted Net Position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Fund Balance Classifications: Governmental Accounting Standards Board Codification Sections 1300 and 1800, Fund Balance Reporting and Governmental Fund Type Definitions (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

*A - Nonspendable Fund Balance*: The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash and stores inventory.

*B - Restricted Fund Balance*: The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net position as reported in the government-wide and fiduciary trust fund statements.

*C - Committed Fund Balance*: The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the governing board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the governing board is required to remove any commitment from any fund balance. The District had no committed fund balance as of June 30, 2021.

*D - Assigned Fund Balance*: The assigned fund balance classification reflects amounts that the District's governing board, chief business officer, or superintendent has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Trustees can designate personnel with the authority to assign fund balances, however as of June 30, 2021 no such designation has occurred.

*E - Unassigned Fund Balance*: In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

Fund Balance Policy: The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances. While GASB Cod. Sec. 1300 and 1800 do not require Districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Trustees. At June 30, 2021, the District has established a minimum General Fund fund balance policy that requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses. As of June 30, 2021 the District has met this requirement.

---

(Continued)



RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are due in two installments on or before November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are due in one installment on or before August 31. The County of Stanislaus bills and collects taxes for the District. Tax revenues are recognized by the District when received.

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

Eliminations and Reclassifications: In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

New Accounting Pronouncements: In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. The provisions in GASB Statement No. 84 are effective for reporting periods beginning after December 15, 2019. Based on the implementation of GASB Statement No. 84, the District restated its beginning net position of governmental activities as well as the aggregate remaining fund information beginning fund balance for a total of \$132,979.

**NOTE 2 - CASH AND INVESTMENTS**

Cash and investments at June 30, 2021 consisted of the following:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
Pooled Funds:		
Cash in County Treasury	\$ 20,989,533	\$ -
Cash in Local Agency Investment Fund	27,564	-
Deposits:		
Cash in revolving fund	7,209	-
Cash on hand and in banks	233,648	4,687
Cash with Fiscal Agent	462,864	-
Total cash and investments	\$ 21,720,818	\$ 4,687

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 2 - CASH AND INVESTMENTS** (Continued)

Pooled Funds - County Treasury: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Stanislaus County Treasurer's Pooled Investment Fund. The District is considered to an involuntary participant in an external investment pool. The fair value of the District's investment pool is reported in the 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.

Pooled Funds - Local Agency Investment Fund: The District places certain funds with the State of California's Local Agency Investment Fund (LAIF). The Authority is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the State and invests the cash. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The monies held in the pooled investment funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account within twenty-four hours' notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by Federal agencies, government-sponsored enterprises and corporations. LAIF is administered by the State Treasurer. LAIF investments are audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall; Sacramento, California 95814. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity and yield are not jeopardized.

Deposits - Custodial Credit Risk

*Governmental Activities* - The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2021, the carrying amount of the District's accounts was \$240,857 and the bank balance was \$268,356 all of which was insured by the FDIC.

*Fiduciary Activities* – At June 30, 2021, the carrying amount and bank balances of the fiduciary accounts were \$4,687, all of which was insured by the FDIC.

Cash with Fiscal Agent: Cash with Fiscal Agent in the Building and the Capital Projects Blended Component Unit Funds totaling \$462,864 represents cash held by third party custodians related to issuances of long-term liabilities and is fully collateralized.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2021, the District had no significant interest rate risk related to cash and investments held.

Credit Risk: The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2021, the District had no concentration of credit risk.

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 3 - INTERFUND TRANSACTIONS**

Interfund Activity: Transactions between funds of the District are recorded as interfund transfers.

Transfers: Transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Transfers for the 2020-2021 fiscal year were as follows:

Transfer from the General Fund to the Special Reserve for Capital Outlay Fund for track resurfacing reserve.	\$ 35,000
Transfer from the General Fund to the Special Reserve for Capital Outlay Fund for bus purchase reserve.	50,000
Transfer from the General Fund to the Building Fund for reclass of revenue.	29,154
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	48,012
Transfer from the Charter Schools Fund to the General Fund for fee for services.	<u>1,886,313</u>
	<u>\$ 2,048,479</u>

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 4 - CAPITAL ASSETS**

A schedule of changes in capital assets for the year ended June 30, 2021 is shown below:

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2021</u>
Non-depreciable:				
Land	\$ 1,436,501	\$ -	\$ -	\$ 1,436,501
Work-in-process	31,373	642,991	-	674,364
Depreciable:				
Improvement of sites	6,870,960	25,766	-	6,896,726
Buildings	64,075,701	521,063	-	64,596,764
Equipment	<u>3,601,661</u>	<u>262,481</u>	<u>-</u>	<u>3,864,142</u>
Totals, at cost	<u>76,016,196</u>	<u>1,452,301</u>	<u>-</u>	<u>77,468,497</u>
Less accumulated depreciation:				
Improvement of sites	(6,389,329)	(443,384)	-	(6,832,713)
Buildings	(30,788,347)	(1,578,713)	-	(32,367,060)
Equipment	<u>(3,090,592)</u>	<u>(386,796)</u>	<u>-</u>	<u>(3,477,388)</u>
Total accumulated depreciation	<u>(40,268,268)</u>	<u>(2,408,893)</u>	<u>-</u>	<u>(42,677,161)</u>
Governmental activities capital assets, net	<u>\$ 35,747,928</u>	<u>\$ (956,592)</u>	<u>\$ -</u>	<u>\$ 34,791,336</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	<u>\$ 2,408,893</u>
-------------	---------------------

**NOTE 5 - LONG-TERM LIABILITIES**

General Obligation Bonds: In February 1995, the District issued 1993 General Obligation Bonds, Series B, totaling \$1,996,368. The bonds were issued as current interest bonds and capital appreciation bonds totaling \$850,000 and \$1,146,368, respectively. Bond proceeds are being spent to construct, repair and expand local schools. Repayment of the bonds will be made from property taxes levied by the County of Stanislaus. The 1993, Series B bonds were fully repaid as of June 30, 2021.

In December 2005, the District issued Election of 2005 General Obligation Bonds, Series 2005 A, totaling \$7,958,595. The bonds were issued as current interest bonds and capital appreciation bonds totaling \$6,905,000 and \$1,053,595, respectively. Bond proceeds are being spent to modernize, repair and expand local schools. Repayment of the bonds will be made from property taxes levied by the County of Stanislaus. In May 2015 the District refunded \$5,130,000 of the current interest bonds.

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 5 - LONG-TERM LIABILITIES** (Continued)

In August 2008, the District issued Election of 2005 General Obligation Bonds, Series 2008 A, totaling \$1,263,990. The bonds were issued as current interest bonds and capital appreciation bonds totaling \$745,000 and \$518,990, respectively. Bond proceeds are being spent to modernize, repair and expand local schools. Repayment of the bonds will be made from property taxes levied by the County of Stanislaus.

In August 2008, the District issued Election of 2005 General Obligation Bonds, Series 2008 B, totaling \$3,870,215. The bonds were issued as capital appreciation bonds. Bond proceeds are being spent to modernize, repair and expand local schools. Repayment of the bonds will be made from property taxes levied by the County of Stanislaus.

In May 2015, the District issued 2015 General Obligation Refunding Bonds totaling \$5,130,000. The bonds were issued to currently refund \$5,505,000 of the District's Election 2005, Series 2005A General Obligation Bonds. As of June 30, 2017, the refunded bonds had been paid off.

In April 2019, the District issued Election of 2018, Series A totaling \$6,600,000. Bond proceeds are being spent to modernize, repair and expand local schools. Repayment of the bonds will be made from property taxes levied by the County of Stanislaus.

General Obligation Bonds

<u>Series</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	Amount of		<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2021</u>
			<u>Original Issuance</u>	<u>Outstanding July 1, 2020</u>			
1993-B	6.00-6.90	2021	\$ 1,996,368	\$ 69,160	\$ -	\$ 69,160	\$ -
2005-A CA	3.25-4.94	2031	1,053,595	1,053,595	-	-	1,053,595
2008-A CI	3.00-6.02	2034	745,000	175,000	-	40,000	135,000
2008-A CA	3.00-6.02	2034	518,990	518,990	-	-	518,990
2008-B	6.02-6.14	2049	3,870,215	3,870,215	-	-	3,870,215
2015-REF	2.00-5.00	2026	5,130,000	3,590,000	-	455,000	3,135,000
2018-A	3.13-8.00	2049	6,600,000	6,600,000	-	5,000	6,595,000
			<u>\$ 19,914,168</u>	<u>\$ 15,876,960</u>	<u>\$ -</u>	<u>\$ 569,160</u>	<u>\$ 15,307,800</u>

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 5 - LONG-TERM LIABILITIES** (Continued)

The annual requirements to amortize the current interest and capital appreciation bonds payable, outstanding as of June 30, 2021 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 790,000	\$ 417,018	\$ 1,207,018
2023	845,000	368,784	1,213,784
2024	755,000	323,496	1,078,496
2025	835,000	280,294	1,115,294
2026	925,000	518,221	1,443,221
2027-2031	1,333,595	5,151,917	6,485,512
2032-2036	1,659,466	6,481,832	8,141,298
2037-2041	2,451,077	7,803,329	10,254,406
2042-2046	3,003,915	9,997,995	13,001,910
2047-2049	<u>2,709,747</u>	<u>5,979,940</u>	<u>8,689,687</u>
	<u>\$ 15,307,800</u>	<u>\$ 37,322,826</u>	<u>\$ 52,630,626</u>

Accreted Interest on General Obligation Bonds:

<u>Outstanding July 1, 2020</u>	<u>Accreted Interest Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2021</u>
<u>\$ 6,485,487</u>	<u>\$ 792,300</u>	<u>\$ 320,840</u>	<u>\$ 6,956,947</u>

Certificates of Participation: In August 2008, the District issued 2008 Series certificates of participation in the amount of \$5,884,512, with interest rates ranging from 4.3% to 12.0%. The certificates were issued as current interest and capital appreciation certificates. In November 2016 the District issued 2016 Refunding Certificates of Participation which refunded the callable portion of the 2008 Certificates maturing 2019 through 2038 in the amount of \$5,410,000. The Certificates of Participation, capital appreciation portion, mature in varying amounts during the succeeding years through 2029.

In July 2010, the District issued 2010 Series A certificates of participation in the amount of \$4,365,000 with interest rates ranging from 6.00% to 6.75%. The certificates were delivered as Qualified School Construction Bonds with a direct subsidy to be paid to the District by the United States Department of Treasury. The Certificates of Participation mature in varying amounts during the succeeding years through 2027.

In November 2016, the District issued 2016 Refunding Certificates of Participation in the amount of \$6,005,000 with interest rates ranging from 2.0% to 4.0%. The certificates were issued to provide funds to refinance the construction, acquisition, and installation of certain capital facilities within the District and refund a portion of the District's 2008 Certificates. The Certificates of Participation mature in varying amounts during the succeeding years through November 2038.

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 5 - LONG-TERM LIABILITIES (Continued)**

The annual requirements to retire the certificates outstanding as of June 30, 2021 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 514,828	\$ 748,428	\$ 1,263,256
2023	623,781	737,806	1,361,587
2024	596,707	620,568	1,217,275
2025	596,076	593,527	1,189,603
2026	586,102	570,492	1,156,594
2027-2031	1,717,707	2,213,287	3,930,994
2032-2036	2,020,000	390,762	2,410,762
2037-2039	1,365,000	69,841	1,434,841
	<u>\$ 8,020,201</u>	<u>\$ 5,944,711</u>	<u>\$ 13,964,912</u>

Accreted Interest on Certificates of Participation:

<u>Outstanding July 1, 2020</u>	<u>Accreted Interest Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2021</u>
\$ 670,893	\$ 100,250	\$ 150,172	\$ 620,971

Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the year ended June 30, 2021 is as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Governmental activities					
General Obligation Bonds:					
Bonds	\$ 15,876,960	\$ -	\$ 569,160	\$ 15,307,800	\$ 790,000
Accreted interest	6,485,487	792,300	320,840	6,956,947	-
Unamortized premiums	1,180,811	-	57,799	1,123,012	57,799
Certificates of Participation:					
COPs	8,495,201	-	475,000	8,020,201	514,828
Accreted interest	670,893	100,250	150,172	620,971	171,219
Other Long-Term Liabilities:					
Net OPEB liabilities (Note 9)	7,451,018	-	2,357,058	5,093,960	-
Net pension liability (Notes 7 & 8)	36,275,000	4,423,000	-	40,698,000	-
Compensated absences	49,648	-	14,706	34,942	34,942
	<u>\$ 76,485,018</u>	<u>\$ 5,315,550</u>	<u>\$ 3,944,735</u>	<u>\$ 77,855,833</u>	<u>\$ 1,568,788</u>

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the Certificates of Participation are made from the General Fund and Capital Projects Blended Component Fund. Payments on the net OPEB liability, net pension liability and compensated absences are made from the fund for which the related employee worked.

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 6 - FUND BALANCES**

Fund balances, by category, at June 30, 2021 consisted of the following:

	General Fund	Charter Schools Fund	Building Fund	All Non-Major Funds	Total
Nonspendable:					
Revolving cash fund	\$ 7,209	\$ -	\$ -	\$ -	\$ 7,209
Stores inventory	-	-	-	28,214	28,214
Subtotal nonspendable	<u>7,209</u>	<u>-</u>	<u>-</u>	<u>28,214</u>	<u>35,423</u>
Restricted:					
Legally restricted programs	1,619,544	1,724,685	-	997,632	4,341,861
Deferred Maintenance	-	-	-	617,974	617,974
Capital projects	-	-	5,763,855	2,575,380	8,339,235
Debt service	-	-	-	1,425,628	1,425,628
Subtotal restricted	<u>1,619,544</u>	<u>1,724,685</u>	<u>5,763,855</u>	<u>5,616,614</u>	<u>14,724,698</u>
Assigned:					
Supplemental expenditures	2,450,000	-	-	-	2,450,000
LCFF reserve expenditures	1,500,000	-	-	-	1,500,000
Textbook reserve expenditures	775,000	-	-	-	775,000
Lottery carryover	220,589	-	-	-	220,589
EPA carryover	1,915,136	-	-	-	1,915,136
Student technology expenditures	100,000	-	-	-	100,000
Subtotal assigned	<u>6,960,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,960,725</u>
Unassigned:					
Designated for economic uncertainty	1,874,000	-	-	-	1,874,000
Undesignated	1,051,648	-	-	-	1,051,648
Subtotal unassigned	<u>2,925,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,925,648</u>
Total fund balances	<u>\$ 11,513,126</u>	<u>\$ 1,724,685</u>	<u>\$ 5,763,855</u>	<u>\$ 5,644,828</u>	<u>\$ 24,646,494</u>

(Continued)



## NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

### *General Information about the State Teachers' Retirement Plan*

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at <http://www.calstrs.com/comprehensive-annual-financial-report>.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

#### *CalSTRS 2% at 60*

CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, up to the 2.4 percent maximum.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

#### *CalSTRS 2% at 62*

CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months of credited service.

---

(Continued)

**NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN** (Continued)

**Contributions:** 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.

In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately \$2.2 billion in fiscal year 2018–19 from the state's General Fund as contributions to CalSTRS on behalf of employers. The bill required portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2019–20 and 2020–21, respectively. The remaining portion of the contribution, approximately \$1.6 billion, was allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program.

California Assembly Bill 84, Chapter 16, Statutes of 2020, (AB 84) was signed into law in June 2020 and revised certain provisions of Teachers' Retirement Law enacted by SB 90. Specifically, AB 84 repurposed the aforementioned \$1.6 billion contribution originally intended to reduce employers' long-term liabilities, to further supplant employer contributions through fiscal year 2021–22. Pursuant to AB 84, employers will remit contributions to CalSTRS based on a rate that is 2.95 percent less than the statutory rate for fiscal year 2020–21 and 2.18 percent less than the rate set by the board for fiscal year 2021–22. Any remaining amounts must be allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program. The rate reduction for fiscal year 2019-20 under SB 90 was not changed by AB 84. The employer contribution rates set in statute and the board's authority to adjust those rates starting in fiscal year 2021–22 under the CalSTRS Funding Plan were not changed by the passage of SB 90 or AB 84.

In addition, the board's rate-setting authority for the state contribution rate was suspended for fiscal year 2020–21 by AB 84. Although the board exercised its authority in May 2020 to increase the state contribution rate by 0.50 percent effective July 1, 2020, the rate increase did not go into effect. Instead, the state rate remained at the 2019–20 level of 7.828 percent.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, SB 90 and AB 84, are as follows:

*Members* - Under CalSTRS 2% at 60, the member contribution rate was 10.25 percent of applicable member earnings for fiscal year 2020-2021.

Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2020-2021. According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1percent since the last timethe member contribution rate was set. Based on the June 30, 2019, valuation adopted by the board in May 2020, the increase in normal cost was less than 1percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2020.

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

**NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN** (Continued)

*Employers* – 16.15 percent of applicable member earnings. This rate reflects the original employer contribution rate of 19.10 percent resulting from the CalSTRS Funding Plan, and subsequently reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90 and AB 84.

The CalSTRS Funding Plan, which was enacted in June 2014 with the passage of California Assembly Bill (AB) 1469, required that employer contributions will increase from 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The legislation gave the CalSTRS board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The CalSTRS board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

The CalSTRS employer contribution rates effective for fiscal year 2020-2021 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Rate Adjustment Per Special Legislation</u>	<u>Total</u>
July 1, 2020	8.250%	10.850%	(2.950%)	16.150%
July 1, 2021	8.250%	10.850%	(2.180%)	16.920%
July 1, 2022 to June 30, 2046	8.250%	(1)	N/A	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47		

(1) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed \$2,423,185 to the plan for the fiscal year ended June 30, 2021.

*State* – 10.328 percent of the members’ calculated based on creditable compensation from two fiscal years prior.

The state’s base contribution to the DB Program is calculated based on creditable compensation from two fiscal years prior. As a result of the CalSTRS Funding Plan, the state is required to make additional contributions to pay down the unfunded liabilities associated with the benefit structure that was in place in 1990 prior to certain enhancements in benefits and reductions in contributions. The additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specified in subdivision (b) of Education Code section 22955.1. The increased contributions end as of fiscal year 2045–46. Pursuant to AB 84, the state contribution rate remained at 5.811% for fiscal year 2020-21.

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN** (Continued)

The CalSTRS state contribution rates effective for fiscal year 2020-21 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding<sup>(1)</sup></u>	<u>Total</u>
July 01, 2020	2.017%	5.811%	2.50%	10.328%
July 01, 2021	2.017%	6.311%	2.50%	10.828%
July 01, 2022 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

- (1) The SBMA contribution rate excludes the \$72 million that is reduced from the required contribution in accordance with Education Code section 22954.
- (2) The board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
- (3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 27,204,000
State's proportionate share of the net pension liability associated with the District	14,867,000
Total	\$ 42,071,000

The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2020, the District's proportion was 0.028 percent, which was an increase of 0.001 percent from its proportion measured as of June 30, 2019.

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN** (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$6,066,588 and revenue of \$1,967,734 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 48,000	\$ 767,000
Changes of assumptions	2,653,000	-
Net differences between projected and actual earnings on investments	646,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,790,000	308,000
Contributions made subsequent to measurement date	<u>2,423,185</u>	<u>-</u>
Total	<u>\$ 8,560,185</u>	<u>\$ 1,075,000</u>

\$2,423,185 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2022	\$ 818,650
2023	\$ 1,471,650
2024	\$ 1,784,150
2025	\$ 558,817
2026	\$ 236,567
2027	\$ 192,166

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2020 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)**

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% Purchasing power level for DB, not applicable for DBS/CBB

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

Mortality: CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B**

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Public Equity	42%	4.8%
Real Estate Assets	15	3.6
Private Equity	13	6.3
Fixed Income	12	1.3
Risk Mitigating Strategies	10	1.8
Inflation Sensitive	6	3.3
Cash / Liquidity	2	(0.4)

\* 20-year geometric average

Sensitivity of the District’s 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 calculated using the discount rate of 7.10 percent, 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 (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease <u>(6.10%)</u>	Current Discount Rate <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
District’s proportionate share of the net pension liability	\$ 41,102,000	\$ 27,204,000	\$ 15,730,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

*General Information about the Public Employer’s Retirement Fund B*

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer’s Retirement Fund B (PERF B) is administered by the California Public Employees’ Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at:

<https://www.calpers.ca.gov/docs/forms-publications/cafr-2020.pdf>.

Benefits Provided: The benefits for the defined benefit plans are based on members’ years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B** (Continued)

**Contributions:** The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer’s benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when districts first join PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to \$863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2021 were as follows:

*Members* - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2020-2021.

*Employers* - The employer contribution rate was 20.70 percent of applicable member earnings.

The District contributed \$1,255,875 to the plan for the fiscal year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$13,494,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2020 the District's proportion was 0.044 percent, which was an increase of 0.002 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$2,472,513. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 669,000	\$ -
Changes of assumptions	49,000	-
Net differences between projected and actual earnings on investments	281,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	367,000	161,000
Contributions made subsequent to measurement date	<u>1,255,875</u>	<u>-</u>
Total	<u>\$ 2,621,875</u>	<u>\$ 161,000</u>

---

(Continued)



RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)**

\$1,255,875 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>			
2022	\$		429,667
2023	\$		325,667
2024	\$		320,166
2025	\$		129,500

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of the June 30, 2020 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
Experience Study	June 30, 1997 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of Scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS’ website.

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)**

The table below reflects 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.

<u>Asset Class</u>	<u>Long -Term* Assumed Asset Allocation</u>	<u>Expected Real Rate of Return Years of 1 - 10<sup>(1)</sup></u>	<u>Expected Real Rate of Return Years of 11+<sup>(2)</sup></u>
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation of Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate Assets	13	3.75	4.93
Liquidity	1	-	(0.92)

\* 10-year geometric average

(1) An expected inflation rate of 2.00% used for this period.

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

**Discount Rate:** The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS’ website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds’ asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long- term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**Sensitivity of the District’s 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 calculated using the discount rate of 7.15 percent, 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 (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District’s proportionate share of the net pension liability	\$ 19,401,000	\$ 13,494,000	\$ 4,195,000

**Pension Plan Fiduciary Net Position:** Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

(Continued)

**NOTE 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS**

Plan Description and Benefits Provided: In addition to the pension benefits described in Notes 7 and 8, the District provides postemployment health care benefits to eligible retirees and their spouses under a single employer defined benefit OPEB plan. The plan does not issue separate financial statements. Certificated employees are eligible after completing at least 15 years of District service. Management, confidential and classified employees are eligible after attaining age 55, with at least 15 years of District service for management and confidential employees and 20 years of District service for classified employees. The health care benefit is payable until the earlier of the death of the retiree or 7 years following date of commencement.

The District belongs to the Self-Insured Schools of California (SISC) GASB 45 Trust A (the "Trust"), a multiple employer agent plan, to pre-fund these other postemployment benefits ("OPEB") liabilities. The Trust is an irrevocable trust under the law of the State of California and a tax-exempt governmental trust under the Internal Revenue Code Section 115. The Trust funds are divided into individual employer accounts for each participating employer, which may be pooled for investment purposes. The District establishes and amends benefit provisions. The District holds \$1,293,237 of assets in the Trust.

Employees covered by benefit terms: As of June 30, 2021 the plan had 59 inactive employees, all of which are receiving benefits, and 254 active employees entitled to but not yet receiving benefits.

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

Contributions to the Plan from the District were \$175,383 for the year ended June 30, 2021. Employees are not required to contribute to the OPEB plan.

Net OPEB Liability: The District's total OPEB liability of \$5,093,960 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increase	2.75%
Discount rate	6.25%
Healthcare cost trend rates	4.00%

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

The discount rate was based on assumed long-term return on employer assets based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

Investments:

<u>Asset Class</u>	<u>Long -Term* Assumed Asset Allocation</u>	<u>Expected Real Rate of Return</u>
US Large Cap	40%	7.795%
US Small Cap	20	7.795
Long-Term Corporate Bonds	25	5.295
Long-Term Government Bonds	10	4.500
Short-Term Government Fixed	5	3.250

\* 10-year geometric average

Mortality rates for certificated employees were based on the 2020 CalSTRS mortality tables and for classified employees the 2017 CalPERS active mortality for miscellaneous employees were used.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the 2009 CalPERS and CalSTRS experience studies.

*Changes in the Net OPEB Liability:*

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c)
Balance at July 1, 2020	\$ 8,454,096	\$ 1,003,078	\$ 7,451,018
Changes for the year:			
Service cost	683,849	-	683,849
Interest	348,333	-	348,333
Employer contributions	-	175,383	(175,383)
Assumption changes	(1,703,301)	-	(1,703,301)
Investment income	-	291,835	(291,835)
Investment gains/losses	(1,220,397)	-	(1,220,397)
Benefit payments	(175,383)	(175,383)	-
Administrative expenses	-	(1,676)	1,676
Net change	<u>(2,066,899)</u>	<u>290,159</u>	<u>(2,357,058)</u>
Balance at June 30, 2021	<u>\$ 6,387,197</u>	<u>\$ 1,293,237</u>	<u>\$ 5,093,960</u>

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the District, as well as what the net OPEB liability calculated using the healthcare cost trend rate of 4.0 percent. The schedule also shows what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent lower (3.0 percent) and 1 percent higher (5.0 percent) than the current healthcare trend rates:

	Rate 1% Lower (3.0%)	Valuation Rate Rate (4.0%)	Rate 1% Higher (5.0%)
Net OPEB liability	\$ 4,283,898	\$ 5,093,960	\$ 6,095,714

Sensitivity of the total OPEB liability to changes in the discount rates: The following presents the net OPEB liability of the District, as well as what the net OPEB liability calculated using the discount rate of 6.25 percent. The schedule also shows what the District's net OPEB liability would be if it were calculated using discount rates that are 1 percent lower (5.25 percent) and 1 percent higher (7.25 percent) than the current discount rates:

	Rate 1% Lower (5.25%)	Valuation Rate Rate (6.25%)	Rate 1% Higher (7.25%)
Net OPEB liability	\$ 5,880,703	\$ 5,093,960	\$ 4,433,146

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2021, the District recognized OPEB expense of \$529,383. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,641,375
Changes of assumptions	-	1,956,035
Net differences between projected and actual earnings on investments	<u>39,494</u>	<u>200,011</u>
Total	<u>\$ 39,494</u>	<u>\$ 4,797,421</u>

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

---

**NOTE 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

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 Ending <u>June 30,</u>	
2022	\$ (439,326)
2023	(438,520)
2024	(429,594)
2025	(442,757)
2026	(397,420)
Thereafter	<u>(2,610,310)</u>
	<u>\$ (4,757,927)</u>

**NOTE 10 - JOINT POWERS AGREEMENTS**

The District is a member a Joint Powers Authority (JPAs), Central Region School Insurance Group (CRSIG) for common risk management and insurance related to workers' compensation, property/liability and health care. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage since the prior year.

The following is a summary of financial information CRSIG as of June 30, 2020 (the most recent information available):

	<u>CRSIG</u>
Total assets	\$ 59,274,405
Total liabilities	\$ 29,264,328
Total net position	\$ 30,010,077
Total revenues	\$ 24,658,171
Total expenditures	\$ 18,059,664

**NOTE 11 - CONTINGENCIES**

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

The District has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not be material.

**REQUIRED SUPPLEMENTARY INFORMATION**

RIVERBANK UNIFIED SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the year ended June 30, 2021

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
Local control funding formula:				
State apportionment	\$ 21,830,459	\$ 23,633,509	\$ 23,633,509	\$ -
Local sources	<u>3,086,277</u>	<u>3,038,076</u>	<u>3,038,076</u>	<u>-</u>
Total local control funding formula	<u>24,916,736</u>	<u>26,671,585</u>	<u>26,671,585</u>	<u>-</u>
Federal sources	3,050,267	5,935,789	5,935,789	-
Other state sources	3,224,412	4,290,270	4,290,270	-
Other local sources	<u>2,211,148</u>	<u>2,289,525</u>	<u>2,289,525</u>	<u>-</u>
Total revenues	<u>33,402,563</u>	<u>39,187,169</u>	<u>39,187,169</u>	<u>-</u>
Expenditures:				
Current:				
Certificated salaries	13,389,499	13,594,448	13,594,448	-
Classified salaries	5,738,286	5,306,281	5,306,281	-
Employee benefits	8,646,279	7,783,227	7,783,227	-
Books and supplies	2,157,586	2,547,343	2,547,343	-
Contract services and operating expenditures	6,376,379	6,770,927	6,770,927	-
Other outgo	894,430	701,906	701,906	-
Capital outlay	10,092	328,821	328,821	-
Debt service:				
Principal retirement	375,000	375,000	375,000	-
Interest	<u>66,050</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>37,653,601</u>	<u>37,407,953</u>	<u>37,407,953</u>	<u>-</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(4,251,038)</u>	<u>1,779,216</u>	<u>1,779,216</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	1,886,313	1,934,325	1,934,325	-
Transfers out	<u>(85,000)</u>	<u>(114,154)</u>	<u>(114,154)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,801,313</u>	<u>1,820,171</u>	<u>1,820,171</u>	<u>-</u>
Net change in fund balance	(2,449,725)	3,599,387	3,599,387	-
Fund balance, July 1, 2020	<u>7,913,739</u>	<u>7,913,739</u>	<u>7,913,739</u>	<u>-</u>
Fund balance, June 30, 2021	<u>\$ 5,464,014</u>	<u>\$ 11,513,126</u>	<u>\$ 11,513,126</u>	<u>\$ -</u>

See note to required supplementary information.



RIVERBANK UNIFIED SCHOOL DISTRICT  
 CHARTER SCHOOLS FUND  
 BUDGETARY COMPARISON SCHEDULE  
 For the year ended June 30, 2021

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues:</b>				
Local control funding formula:				
State apportionment	\$ 4,641,258	\$ 6,286,027	\$ 6,286,027	\$ -
Local sources	<u>640,621</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total local control funding formula	<u>5,281,879</u>	<u>6,286,027</u>	<u>6,286,027</u>	<u>-</u>
Federal sources	161,292	559,781	559,781	-
Other state sources	477,304	657,418	657,418	-
Other local sources	<u>16,300</u>	<u>18,655</u>	<u>18,655</u>	<u>-</u>
Total revenues	<u>5,936,775</u>	<u>7,521,881</u>	<u>7,521,881</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Certificated salaries	2,296,337	2,447,225	2,447,225	-
Classified salaries	352,689	386,519	386,519	-
Employee benefits	1,204,899	1,145,462	1,145,462	-
Books and supplies	50,394	352,211	352,211	-
Contract services and operating expenditures	117,159	146,260	146,260	-
Capital outlay	<u>6,063</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,027,541</u>	<u>4,477,677</u>	<u>4,477,677</u>	<u>-</u>
Excess of revenues over expenditures	<u>1,909,234</u>	<u>3,044,204</u>	<u>3,044,204</u>	<u>-</u>
<b>Other financing uses:</b>				
Transfers out	<u>(1,886,313)</u>	<u>(1,886,313)</u>	<u>(1,886,313)</u>	<u>-</u>
Net change in fund balance	22,921	1,157,891	1,157,891	-
Fund balance, July 1, 2020	<u>566,794</u>	<u>566,794</u>	<u>566,794</u>	<u>-</u>
Fund balance, June 30, 2021	<u>\$ 589,715</u>	<u>\$ 1,724,685</u>	<u>\$ 1,724,685</u>	<u>\$ -</u>

See note to required supplementary information.

RIVERBANK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE DISTRICT'S  
NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY  
For the year ended June 30, 2021

	Last 10 Fiscal Years				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability					
Service cost	\$ 713,992	\$ 733,627	\$ 753,802	\$ 665,546	\$ 683,849
Interest	270,290	325,477	346,259	315,389	348,333
Experience gains/losses	-	-	(1,912,599)	-	(1,220,397)
Assumption changes	-	(340,732)	(194,202)	-	(1,703,301)
Benefit payments	<u>(154,869)</u>	<u>(167,779)</u>	<u>(195,349)</u>	<u>(157,597)</u>	<u>(175,383)</u>
Net change in total OPEB liability	829,413	550,593	(1,202,089)	823,338	(2,066,899)
Total OPEB liability, beginning of year	<u>7,452,841</u>	<u>8,282,254</u>	<u>8,832,847</u>	<u>7,630,758</u>	<u>8,454,096</u>
Total OPEB liability, end of year (a)	<u>\$ 8,282,254</u>	<u>\$ 8,832,847</u>	<u>\$ 7,630,758</u>	<u>\$ 8,454,096</u>	<u>\$ 6,387,197</u>
Plan fiduciary net position					
Employer contributions	\$ 154,869	\$ 167,779	\$ 845,626	\$ 157,597	\$ 175,383
Investment income	9,432	3,355	19,691	65,283	291,835
Investment gains/losses	-	4,032	44,643	(65,824)	-
Benefit payments	(154,869)	(167,779)	-	(157,597)	(175,383)
Administrative expenses	<u>(123)</u>	<u>(138)</u>	<u>(467)</u>	<u>(1,478)</u>	<u>(1,676)</u>
Change in plan fiduciary net position	9,309	7,249	909,493	(2,019)	290,159
Fiduciary trust net position, beginning of year	<u>79,046</u>	<u>88,355</u>	<u>95,604</u>	<u>1,005,097</u>	<u>1,003,078</u>
Fiduciary trust net position, end of year (b)	<u>\$ 88,355</u>	<u>\$ 95,604</u>	<u>\$ 1,005,097</u>	<u>\$ 1,003,078</u>	<u>\$ 1,293,237</u>
Net OPEB liability, ending (a) - (b)	<u>\$ 8,193,899</u>	<u>\$ 8,737,243</u>	<u>\$ 6,625,661</u>	<u>\$ 7,451,018</u>	<u>\$ 5,093,960</u>
Covered employee payroll	\$ 23,473,026	\$ 28,391,371	\$ 29,172,134	\$ 28,104,275	\$ 20,524,276
Fiduciary trust net position as a percentage of the total OPEB liability	1.07%	1.08%	13.17%	11.86%	20.25%
Net OPEB liability as a percentage of covered-employee payroll	34.91%	30.77%	22.71%	26.51%	24.82%

This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively.

See note to required supplementary information.

RIVERBANK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
For the year ended June 30, 2021

	State Teachers' Retirement Plan Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.023%	0.024%	0.023%	0.026%	0.025%	0.027%	0.028%
District's proportionate share of the net pension liability	\$ 13,581,000	\$ 16,066,000	\$ 18,694,000	\$ 24,038,000	\$ 23,436,000	\$ 23,941,000	\$ 27,204,000
State's proportionate share of the net pension liability with the District	<u>8,201,000</u>	<u>8,497,000</u>	<u>10,643,000</u>	<u>14,221,000</u>	<u>13,418,000</u>	<u>13,061,000</u>	<u>14,867,000</u>
Total net pension liability	<u>\$ 21,782,000</u>	<u>\$ 24,563,000</u>	<u>\$ 29,337,000</u>	<u>\$ 38,259,000</u>	<u>\$ 36,854,000</u>	<u>\$ 37,002,000</u>	<u>\$ 42,071,000</u>
District's employee payroll	\$ 10,352,000	\$ 11,076,000	\$ 11,519,000	\$ 13,758,000	\$ 13,649,000	\$ 14,936,000	\$ 14,781,000
District's proportionate share of the net pension liability as a percentage of its employee payroll	131.19%	145.05%	162.29%	174.72%	171.70%	160.29%	184.05%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 For the year ended June 30, 2021

	Public Employer's Retirement Fund B Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.040%	0.039%	0.040%	0.043%	0.044%	0.042%	0.044%
District's proportionate share of the net pension liability	\$ 4,501,000	\$ 5,803,000	\$ 7,996,000	\$ 10,225,000	\$ 11,673,000	\$ 12,334,000	\$ 13,494,000
District's employee payroll	\$ 4,162,000	\$ 4,358,000	\$ 4,857,000	\$ 5,685,000	\$ 5,813,000	\$ 5,894,000	\$ 6,564,000
District's proportionate share of the net pension liability as a percentage of its employee payroll	108.15%	133.16%	164.63%	179.86%	200.81%	209.26%	205.58%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

See note to required supplementary information.

RIVERBANK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
For the year ended June 30, 2021

	State Teachers' Retirement Plan Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 983,566	\$ 1,235,954	\$ 1,730,697	\$ 1,969,562	\$ 2,436,028	\$ 2,679,854	\$ 2,423,185
Contributions in relation to the contractually required contribution	<u>(983,566)</u>	<u>(1,235,954)</u>	<u>(1,730,697)</u>	<u>(1,969,562)</u>	<u>(2,436,028)</u>	<u>(2,679,854)</u>	<u>(2,423,185)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,076,000	\$ 11,519,000	\$ 13,758,000	\$ 13,649,000	\$ 14,936,000	\$ 14,781,000	\$ 12,687,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.31%	17.10%*	16.15%**

All years prior to 2015 are not available.

\*This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

\*\*This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90.

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
 For the year ended June 30, 2021

Public Employer's Retirement Fund B  
 Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 513,021	\$ 575,448	\$ 789,485	\$ 902,822	\$ 1,064,632	\$ 1,294,513	\$ 1,255,875
Contributions in relation to the contractually required contribution	<u>(513,021)</u>	<u>(575,448)</u>	<u>(789,485)</u>	<u>(902,822)</u>	<u>(1,064,632)</u>	<u>(1,294,513)</u>	<u>(1,255,875)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,358,000	\$ 4,857,000	\$ 5,685,000	\$ 5,813,000	\$ 5,894,000	\$ 6,564,000	\$ 6,067,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%

All years prior to 2015 are not available.

See note to required supplementary income.

RIVERBANK UNIFIED SCHOOL DISTRICT  
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2021

---

**NOTE 1 - PURPOSE OF SCHEDULES**

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

Schedule of Changes in Net Other Post Employment Benefits (OPEB) Liability: The Schedule of Changes in Net OPEB Liability is presented to illustrate the elements of the District's Net OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Contributions: The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10- year trend is compiled, governments should present information for those years for which information is available.

Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions: The discount rates used for the Net OPEB Liability was 7.10 and 6.25 percent in the June 30, 2020 and 2021 actuarial reports, respectively.

The discount rates used for the Public Employer's Retirement Fund B (PERF B) was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

<u>Assumption</u>	<u>Measurement Period as of June 30.</u>					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

**SUPPLEMENTARY INFORMATION**



RIVERBANK UNIFIED SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 ALL NON-MAJOR FUNDS  
 June 30, 2021

	Student Activity Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Fund	Capital Projects Blended Component Fund	Bond Interest and Redemption Fund	Total
<b>ASSETS</b>									
Cash in County Treasury	\$ -	\$ 528,744	\$ 617,974	\$ 1,207,725	\$ 31	\$ 871,009	\$ 33,820	\$ 1,425,628	\$ 4,684,931
Cash in banks	180,862	18,831	-	-	-	-	-	-	199,693
Cash with fiscal agent	-	-	-	-	-	-	462,852	-	462,852
Accounts receivable	-	276,709	-	-	-	-	-	-	276,709
Stores inventory	-	28,214	-	-	-	-	-	-	28,214
<b>Total assets</b>	<b>\$ 180,862</b>	<b>\$ 852,498</b>	<b>\$ 617,974</b>	<b>\$ 1,207,725</b>	<b>\$ 31</b>	<b>\$ 871,009</b>	<b>\$ 496,672</b>	<b>\$ 1,425,628</b>	<b>\$ 5,652,399</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ -	\$ 7,514	\$ -	\$ -	\$ -	\$ 57	\$ -	\$ -	\$ 7,571
Fund balances:									
Nonspendable	-	28,214	-	-	-	-	-	-	28,214
Restricted	180,862	816,770	617,974	1,207,725	31	870,952	496,672	1,425,628	5,616,614
<b>Total fund balance</b>	<b>180,862</b>	<b>844,984</b>	<b>617,974</b>	<b>1,207,725</b>	<b>31</b>	<b>870,952</b>	<b>496,672</b>	<b>1,425,628</b>	<b>5,644,828</b>
<b>Total liabilities and fund balances</b>	<b>\$ 180,862</b>	<b>\$ 852,498</b>	<b>\$ 617,974</b>	<b>\$ 1,207,725</b>	<b>\$ 31</b>	<b>\$ 871,009</b>	<b>\$ 496,672</b>	<b>\$ 1,425,628</b>	<b>\$ 5,652,399</b>

RIVERBANK UNIFIED SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGE IN FUND BALANCE  
 ALL NON-MAJOR FUNDS  
 June 30, 2021

	Student Activity Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Fund	Capital Projects Blended Component Fund	Bond Interest and Redemption Fund	Total
Revenues:									
Local control funding formula:									
Local sources	\$ -	\$ -	\$ 212,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,000
Federal revenue	-	801,908	-	-	-	-	-	-	801,908
Other state revenue	-	68,296	-	-	-	-	-	14,311	82,607
Other local revenue	132,493	13,543	6,907	283,559	1	19,007	303,838	1,200,934	1,960,282
Total revenues	132,493	883,747	218,907	283,559	1	19,007	303,838	1,215,245	3,056,797
Expenditures:									
Current:									
Classified salaries	-	644,136	-	-	-	-	-	-	644,136
Employee benefits	-	288,961	-	-	-	-	-	-	288,961
Books and supplies	84,610	272,800	-	-	-	-	-	-	357,410
Services and other operating expenditures	-	19,599	58,673	4,032	-	-	8,787	-	91,091
Capital outlay	-	200,290	124,250	-	-	642,991	-	-	967,531
Debt service:									
Principal retirement	-	-	-	-	-	-	100,000	890,000	990,000
Interest	-	-	-	-	-	-	362,730	446,119	808,849
Total expenditures	84,610	1,425,786	182,923	4,032	-	642,991	471,517	1,336,119	4,147,978
Excess (deficiency) of revenues over (under) expenditures	47,883	(542,039)	35,984	279,527	1	(623,984)	(167,679)	(120,874)	(1,091,181)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	85,000	-	-	85,000
Transfers out	-	(48,012)	-	-	-	-	-	-	(48,012)
Total other financing sources (uses)	-	(48,012)	-	-	-	85,000	-	-	36,988
Net change in fund balances	47,883	(590,051)	35,984	279,527	1	(538,984)	(167,679)	(120,874)	(1,054,193)
Fund balance, July 1, 2020	-	1,435,035	581,990	928,198	30	1,409,936	664,351	1,546,502	6,566,042
Cumulative effect of GASB 84 implementation	132,979	-	-	-	-	-	-	-	132,979
Fund balance, July 1, 2020, as restated	132,979	1,435,035	581,990	928,198	30	1,409,936	664,351	1,546,502	6,699,021
Fund balance, June 30, 2021	\$ 180,862	\$ 844,984	\$ 617,974	\$ 1,207,725	\$ 31	\$ 870,952	\$ 496,672	\$ 1,425,628	\$ 5,644,828

RIVERBANK UNIFIED SCHOOL DISTRICT  
ORGANIZATION  
June 30, 2021

---

Riverbank Unified School District was organized in 1919 and unified in 1998 and consists of an area comprising approximately 20.1 square miles. The District operates two elementary schools, one middle school, one high school, a continuation high school and a dependent charter school. There were no changes in the District's boundaries in the current year under audit.

BOARD OF TRUSTEES

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Ana Vigil	Member	December 2024
Elizabeth Meza	President	December 2022
Ernest Velasco	Clerk	December 2024
Susan Taylor	Member	December 2022
Diana Gonzalez	Member	December 2022

ADMINISTRATION

Christine Facella  
Superintendent

Roberto Perez  
Chief Business Official

RIVERBANK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
For the year ended June 30, 2021

---

	Number of Days Traditional <u>Calendar</u>	<u>Status</u>
<b><u>District:</u></b>		
Kindergarten	180	In Compliance
Grade 1	180	In Compliance
Grade 2	180	In Compliance
Grade 3	180	In Compliance
Grade 4	180	In Compliance
Grade 5	180	In Compliance
Grade 6	180	In Compliance
Grade 7	180	In Compliance
Grade 8	180	In Compliance
Grade 9	180	In Compliance
Grade 10	180	In Compliance
Grade 11	180	In Compliance
Grade 12	180	In Compliance
<b><u>Riverbank Language Academy Charter School - Classroom Based</u></b>		
Kindergarten	175	In Compliance
Grade 1	175	In Compliance
Grade 2	175	In Compliance
Grade 3	175	In Compliance
Grade 4	175	In Compliance
Grade 5	175	In Compliance
Grade 6	175	In Compliance
Grade 7	175	In Compliance
Grade 8	175	In Compliance

---

RIVERBANK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
For the year ended June 30, 2021

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass- Through Entity Identifying Number	Federal Expend- itures
<u>U.S. Department of Education - Passed through</u>			
<u>California Department of Education</u>			
84.365	ESEA: Title III, Limited English Learner Program	14346	\$ 144,599
84.377	ESEA: Title I, School Improvement Grant	15020	1,259,085
84.027	Special Education: IDEA Basic Local Assistance Entitlement, Part B, Sec. 611	13379	492,436
84.010	ESEA: Title I, Part A, Basic Grants Low Income and Neglected	14329	709,560
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894	28,936
84.367	ESEA: Title II, Part A, Improving Teacher Quality	14341	124,989
84.424	ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	15396	56,118
84.425D	COVID-19: Education Stabilization Fund (ESF) Programs: Elementary and Secondary School Emergency Relief (ESSER) Fund - COVID-19	15536	581,412
84.425H	Elementary and Secondary School Emergency Relief II (ESSER II) Fund - COVID-19	15547	189,061
84.425C	Governor's Emergency Education Relief Fund: Learning Loss Mitigation - COVID-19	15517	113,300
	Subtotal COVID-19: Education Stabilization Fund (ESF) Programs		<u>883,773</u>
	Total U.S. Department of Education		<u>3,699,496</u>
<u>U.S. Department of Agriculture - Passed through</u>			
<u>California Department of Education</u>			
10.555	Child Nutrition: School Program: Child Nutrition Cluster	13391	<u>1,473,798</u>
<u>U.S. Department of Health and Human Services - Passed through</u>			
<u>California Department of Education</u>			
93.778	Medi-Cal Billing Option: Medicaid Cluster	10013	<u>18,394</u>
<u>U.S. Department of the Treasury</u>			
<u>Passed through California Department of Education</u>			
20.019	Coronavirus Relief Fund: Learning Loss Mitigation - COVID-19	25516	<u>2,378,379</u>
	Total Federal Programs		<u>\$ 7,570,067</u>

RIVERBANK UNIFIED SCHOOL DISTRICT  
 RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT  
 WITH AUDITED FINANCIAL STATEMENTS  
 For the year ended June 30, 2021

---

	Bond Interest and Redemption <u>Fund</u>
Unaudited actual financial statements ending fund balances June 30, 2021	\$ 1,161,628
Adjustment to record a portion of the premium related to issuance of the Election of 2014, Series 2017 General Obligations bonds in the Bond Interest and Redemption Fund	<u>264,000</u>
Audited ending fund balances, June 30, 2021	<u><u>\$ 1,425,628</u></u>

	Building <u>Fund</u>
Unaudited actual financial statements ending fund balances June 30, 2021	\$ 6,027,855
Adjustment to record a portion of the premium related to issuance of the Election of 2014, Series 2017 General Obligations bonds in the Bond Interest and Redemption Fund	<u>(264,000)</u>
Audited ending fund balances, June 30, 2021	<u><u>\$ 5,763,855</u></u>

There were no adjustments proposed to any other funds of the District.

RIVERBANK UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
 For the year ended June 30, 2021  
 (UNAUDITED)

	(Budget) <u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 38,063,674	\$ 41,121,494	\$ 37,671,863	\$ 38,060,042
Expenditures	38,488,361	37,407,953	37,148,693	37,780,835
Other uses and transfers out	<u>85,000</u>	<u>114,154</u>	<u>292,000</u>	<u>1,015,000</u>
Total outgo	<u>38,573,361</u>	<u>37,522,107</u>	<u>37,440,693</u>	<u>38,795,835</u>
Change in fund balance	\$ (509,687)	\$ 3,599,387	\$ 231,170	\$ (735,793)
Ending fund balance	\$ <u>11,003,439</u>	\$ <u>11,513,126</u>	\$ <u>7,913,739</u>	\$ <u>7,682,569</u>
Available reserves	\$ <u>2,062,589</u>	\$ <u>2,925,648</u>	\$ <u>1,868,000</u>	\$ <u>1,936,000</u>
Designated for economic uncertainties	\$ <u>1,929,000</u>	\$ <u>1,874,000</u>	\$ <u>1,868,000</u>	\$ <u>1,936,000</u>
Undesignated fund balance	\$ <u>133,589</u>	\$ <u>1,051,648</u>	\$ -	\$ -
Available reserves as percentages of total outgo	<u>5.35%</u>	<u>7.80%</u>	<u>4.99%</u>	<u>4.99%</u>
Total long-term liabilities	\$ <u>76,287,045</u>	\$ <u>77,855,833</u>	\$ <u>76,485,018</u>	\$ <u>75,147,622</u>
Average daily attendance at P-2, excluding charter	<u>2,323</u>	<u>2,276</u>	<u>2,276</u>	<u>2,339</u>

The General Fund fund balance has increased by \$3,094,764 over the past three years. The District has budgeted a decrease of \$509,687 for the fiscal year 2021-2022. For a district this size, the State of California recommends available reserves of at least three percent of total General Fund expenditures, transfers out and other uses be maintained. The District met this requirement.

The District has incurred an operating surplus in two of the past three years, and anticipates incurring an operating deficit during the 2021-2022 fiscal year.

Total long-term liabilities have increased by \$2,708,211 over the past two years.

Average daily attendance has decreased by 63 over the past two years. An increase of 47 ADA is projected for the 2021-2022 fiscal year.

RIVERBANK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
For the year ended June 30, 2021

---

Charter Schools Chartered by District

#0856 Riverbank Language Academy

Included in District  
Financial Statements, or  
Separate Report

Included as Charter Schools Fund



RIVERBANK UNIFIED SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION  
For the year ended June 30, 2021

---

**NOTE 1 - PURPOSE OF SCHEDULES**

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

Schedule of Expenditure of Federal Awards: The Schedule of Expenditure of Federal Awards includes the federal award activity of Riverbank Unified School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimus indirect cost rate allowed in the Uniform Guidance.

Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements: This schedule provides the information necessary to reconcile the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis (Unaudited): This schedule provides trend information on the District's financial condition over the past three years and its anticipated condition for the 2021-2022 fiscal year.

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

**NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM**

Education Code Section 14503 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2021, the District did not adopt this program.

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

Board of Trustees  
Riverbank Unified School District  
Riverbank, California

**Report on Compliance with State Laws and Regulations**

We have audited Riverbank Unified School District's compliance with the types of compliance requirements described in the State of California's *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the "Audit Guide") applicable to the state laws and regulations listed below for the year ended .

<u>Description</u>	<u>Procedures Performed</u>
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
California Clean Energy Jobs Act	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Independent Study – Course Based	No, see below
Attendance, for charter schools	Yes
Mode of Instruction, for charter schools	Yes
Nonclassroom-Based Instruction/Independent Study, for charter schools	No, see below
Determination of Funding for Nonclassroom-Based Instruction, for charter schools	No, see below
Charter School Facility Grant Program	No, see below

(Continued)

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

The District did not offer Apprenticeship: Related and Supplemental Instruction, therefore we did not perform any procedures related to Apprenticeship: Related and Supplemental Instruction.

The District does not participate in District of Choice; therefore, we did not perform any procedures related to District of Choice.

The District had no expenditures in current audit period for the California Clean Energy Jobs Act; therefore, we did not perform any procedures related to the California Clean Energy Jobs Act.

The District did not offer Independent Study Course Based, therefore we did not perform any procedures related to Independent Study Course Based.

The District's charter school is classroom basedtherefor, we did not perform any testing of Nonclassroom-Based Instruction/Independent Study, for charter schools and Determination of Funding for Nonclassroom-Based Instruction, for charter schools.

The District did not receive Charter School Facility Grant funding in the current year; therefore, we did not perform any procedures.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on Riverbank Unified School District's compliance with state laws and regulations as listed above 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 *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide). Those standards and the 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 Riverbank Unified School District's compliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about Riverbank Unified 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 with state laws and regulations. However, our audit does not provide a legal determination of Riverbank Unified School District's compliance.

***Opinion on Compliance with State Laws and Regulations***

In our opinion, Riverbank Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2021.

**Purpose of this Report**

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the State of California's *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

  
Crowe LLP

Sacramento, California  
January 26, 2022

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  
Riverbank Unified School District  
Riverbank, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverbank Unified School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Riverbank Unified School District's basic financial statements, and have issued our report thereon dated January 26, 2022.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Riverbank Unified School District's internal control over financial reporting (internal control) as a basis for designing 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 Riverbank Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Riverbank Unified School District's internal control.

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

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

---

(Continued)

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverbank Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Crowe LLP

Sacramento, California  
January 26, 2022

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

Board of Trustees  
Riverbank Unified School District  
Riverbank, California

### **Report on Compliance for Each Major Federal Program**

We have audited Riverbank Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Riverbank Unified School District's major federal programs for the year ended June 30, 2021. Riverbank Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of audit 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 Riverbank Unified School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Riverbank Unified 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 Riverbank Unified School District's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Riverbank Unified 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, 2021.

---

(Continued)

## Report on Internal Control Over Compliance

Management of Riverbank Unified 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 Riverbank Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Riverbank Unified 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Crowe LLP

Sacramento, California  
January 26, 2022



## **FINDINGS AND RECOMMENDATIONS**

RIVERBANK UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
 Year ended June 30, 2021

---

SECTION I - SUMMARY OF AUDITOR'S RESULTS

**FINANCIAL STATEMENTS**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported	

Noncompliance material to financial statements noted?

	_____ Yes	_____ <input checked="" type="checkbox"/> No	
--	-----------	--	--

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported	

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

	_____ Yes	_____ <input checked="" type="checkbox"/> No	
--	-----------	--	--

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund: Learning Loss Mitigation - COVID-19
84.377	ESEA: Title I, School Improvement Grant
84.425C,84.425D,84.425H	Education Stabilization Fund (ESF) Programs - COVID-19

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_  Yes \_\_\_\_\_ No

**STATE AWARDS**

Type of auditors' report issued on compliance for state programs: Unmodified

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2021

---

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2021

---

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

---

(Continued)

RIVERBANK UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2021

---

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**STATUS OF PRIOR YEAR  
FINDINGS AND RECOMMENDATIONS**

RIVERBANK UNIFIED SCHOOL DISTRICT  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
Year ended June 30, 2021

---

No matters were reported.

[THIS PAGE INTENTIONALLY LEFT BLANK]



**APPENDIX D**

**PROPOSED FORM OF OPINIONS OF BOND COUNSEL**

[LETTERHEAD OF LOZANO SMITH]

\_\_\_\_\_, 2022

Board of Trustees  
Riverbank Unified School District  
6715 Seventh Street  
Riverbank, California 95367

\$ \_\_\_\_\_  
RIVERBANK UNIFIED SCHOOL DISTRICT  
(Stanislaus County, California)  
GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES B

**FINAL OPINION OF BOND COUNSEL**

Ladies and Gentlemen:

We have acted as bond counsel to the Riverbank Unified School District (the "District") in connection with the issuance by the District of its Riverbank Unified School District (Stanislaus County, California) General Obligation Bonds, Election of 2018, Series B in the aggregate principal amount of \$ \_\_\_\_\_ (the "Bonds"), issued under Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof (the "Bond Law") and under Resolution No. 22-23-08 adopted by the Board of Trustees of the District on September 20, 2022 (the "Bond Resolution"). The Bonds were sold to Oppenheimer & Co. Inc., as Underwriter (the "Underwriter") pursuant to a Bond Purchase Agreement, dated \_\_\_\_\_, 2022 (the "Bond Purchase Agreement"), between the District and the Underwriter.

In such connection, we have examined the Bond Resolution, the Bond Law, the tax certificate, dated the date hereof and executed by the District (the "Tax Certificate"), the Bond Purchase Agreement, the Continuing Disclosure Certificate, dated the date hereof and executed by the District (the "Continuing Disclosure Certificate"), certificates of the District and others, and such other law, documents, opinions and matters to the extent we deemed necessary to render the opinions or conclusions set forth herein.

The opinions and conclusions herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities.

Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the second paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Bond Resolution, the Tax Certificate, the Continuing Disclosure Certificate and the Bond Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against school districts in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement relating to the Bonds, dated \_\_\_\_\_, 2022.

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

1. The Bond Resolution has been duly adopted by the Board of Trustees of the District and the Bond Resolution constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.
2. The Bonds have been duly authorized, issued and sold by the District and are valid and binding general obligations of the District, and the Board of Supervisors of the County of Stanislaus is obligated and authorized under the laws of the State of California to levy and collect ad valorem taxes, without limit as to rate or amount (except with respect to certain personal property which is taxable at limited rates), upon the taxable property in the District for the payment when due of the principal of and interest on the Bonds.
3. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to

be, excluded from gross income for federal income tax purposes. The District has covenanted in the Bond Resolution and the Tax Certificate and other instruments relating to the Bonds to comply with each of such requirements under the Code. Failure to comply with certain of such requirements under the Code may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

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

Except as stated in the preceding paragraphs, we express no opinion as to any federal or state tax consequences of the receipt of interest on, or the ownership or disposition of, the Bonds.

Our opinions are based on existing law, which is subject to change. The opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any fact or circumstance that may thereafter come to our attention or to reflect any change in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

Lozano Smith, LLP

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

§ \_\_\_\_\_

**RIVERBANK UNIFIED SCHOOL DISTRICT**  
**(Stanislaus County, California)**  
**GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES B**

### CONTINUING DISCLOSURE CERTIFICATE

---

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Riverbank Unified School District (the “District”) in connection with the issuance of the above-captioned bonds (the “Bonds”). The Bonds are being issued under a resolution adopted by the Board of Trustees of the District on September 20, 2022 (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 Underwriter in complying with Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) (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 have the following meanings:

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

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

“*Dissemination Agent*” means, initially, Dale Scott & Company Inc., or any successor Dissemination Agent designated in writing by the District and that has filed with the District a written acceptance of such designation. If at any time there is not any other designated Dissemination Agent, the District shall be the Dissemination Agent.

“*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) a guarantee of either of the foregoing (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

“*Participating Underwriter*” means the original underwriter of the Bonds, Oppenheimer & Co. Inc., required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

### Section 3. **Provision of Annual Reports.**

(a) The District shall provide, or shall cause the Dissemination Agent to provide, to the MSRB in an electronic format as prescribed by the MSRB, not later than nine months after the end of the District’s fiscal year (that currently would be March 31), commencing no later than March 31, 2023 with the report for the 2021-22 fiscal year, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statement of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

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

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

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

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

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

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

(b) Unless otherwise provided in the Audit Report filed on or before the Annual Report Date, financial information and operating data with respect to the District for the most recently completed fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

- (1) the District's most recent approved annual budget;
- (2) the most recent assessed valuation of taxable properties in the District;
- (3) if Stanislaus County no longer includes the tax levy for payment of the Bonds in its Teeter Plan, the most recent property tax levies, collections; and delinquencies of the District; and

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

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

## Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a Financial Obligation of the District, if material, 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 security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the District, any of which reflect financial difficulties.



(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, and, if the Listed Event is described in sections (a)(2), (a)(6) (with respect to certain notices), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), or (a)(15) above, the District determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the District shall, or shall cause the Dissemination Agent (if not the District) to file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the governing legal documents.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(6) (with respect to certain notices), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier “if material.” The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the District determines the event’s occurrence is material for purposes of U.S. federal securities law.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

**Section 7. Termination of Reporting Obligation.** The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

**Section 8. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Dale Scott & Company Inc. Any Dissemination Agent (if not the District) may resign by providing 30 days’ written notice to the District.

Section 9. **Amendment; Waiver.** Notwithstanding any other provision hereof, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;
- (b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolution for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended under the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. **Additional Information.** Nothing in this Disclosure Certificate prevents the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information

in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. **Default.** If the District fails to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. **Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities that 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 negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. **Notices.** Any notice or communications to be among any of the parties to this Disclosure Certificate may be given as follows:

To the Issuer: Riverbank Unified School District  
6715 Seventh Street  
Riverbank, CA 95367  
Fax: (209) 869-1487

To the Participating Underwriter: Oppenheimer & Co. Inc.  
580 California Street, Suite 2300  
San Francisco, California 94104

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. **Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: \_\_\_\_\_, 2022

**RIVERBANK UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_  
Superintendent

**Designation as Dissemination Agent Accepted:**

**DALE SCOTT & COMPANY INC.**

By \_\_\_\_\_  
Its Authorized Officer

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligor: Riverbank Unified School District

Name of Bond Issue: \$\_\_\_\_\_ Riverbank Unified School District (Stanislaus County, California) General Obligation Bonds, Election of 2018, Series B

Date of Issuance: \_\_\_\_\_, 2022

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 dated as of \_\_\_\_\_, 2022, executed by the District. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: [Form only] \_\_\_\_\_

**RIVERBANK UNIFIED SCHOOL DISTRICT**

By: [Form Only – no signature required]  
Authorized Officer

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX F

### DTC AND THE BOOK-ENTRY SYSTEM

*The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the District, the Underwriter nor the Paying Agent takes any responsibility for the information contained in this Section.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this APPENDIX. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-

trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 Securities 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 Securities, except if use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as prepayments, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain



that the nominee holding the Securities 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.

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

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Prepayment proceeds, distributions, and dividend payments on the Securities 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 Issuer or 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Paying Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, if a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

**APPENDIX G**

**STANISLAUS COUNTY INVESTMENT POLICY  
AND INVESTMENT REPORT**

[THIS PAGE INTENTIONALLY LEFT BLANK]

2022

STANISLAUS COUNTY  
TREASURY POOL  
INVESTMENT POLICY



Donna Riley

Treasurer – Tax Collector

Effective Date: July 1, 2022

**TABLE OF CONTENTS**

1. Purpose .....	2
2. Scope .....	2
3. Objective .....	2
4. Delegation of Authority .....	3
5. Prudent Investor Standard .....	3
6. Ethics and Conflicts of Interest.....	3
7. Treasury Oversight Committee .....	3
8. Limits on Honoraria, Gifts, and Gratuities .....	4
9. Authorized Broker/Dealers and Institutions .....	4
10. Authorized Investments .....	5
11. Non-Authorized Investments .....	5
12. Due Diligence.....	5
13. Review of Investment Portfolio.....	6
14. Collateralization .....	6
15. Safekeeping & Custody .....	6
16. Diversification .....	6
17. Maximum Maturities.....	6
18. Internal Controls .....	7
19. Performance Standards.....	7
20. Reporting.....	7
21. Investment Policy Adoption .....	8
22. Investment Pool Expenses.....	8
23. Agencies’ Voluntary Depositing and Withdrawal .....	8
24. Investment Earnings Apportionment and Rate.....	9
25. Exemptions and Amendments .....	9
<b>Attachments:</b>	
I – Authorized Investments .....	10
II – Glossary.....	16

## **1. Purpose**

The purpose of the Stanislaus County Treasury Pool Investment Policy ("Policy") is to provide guidance for the investment of funds in excess of the current day anticipated expenditures. Investment responsibility has been entrusted and delegated to the Stanislaus County Treasurer ("Treasurer") in accordance with California State Law ("Law") and local ordinance. This policy is intended to provide guidelines to ensure compliance with State and local laws and the prudent money management and investment of funds in the Stanislaus County Treasury Pool ("Pool").

## **2. Scope**

This investment policy applies to all financial assets and investment activity of the County of Stanislaus ("County") including monies entrusted to the Treasurer and deposited into the Pool by County departments, County & City Schools, and Special Districts. The funds covered by this Policy are accounted for and incorporated in the County of Stanislaus Comprehensive Annual Financial Report (CAFR) and include:

- 2.1. General Fund
- 2.2. Special Revenue Funds
- 2.3. Debt Service Funds
- 2.4. Capital Project Funds
- 2.5. Enterprise Funds
- 2.6. Internal Service Funds
- 2.7. Fiduciary Funds

## **3. Objective**

The investment program shall provide for daily cash flow requirements while following the objectives of this Policy in priority order of Safety, Liquidity, and Return on Investment. In accordance with Government Code 53600.5, the primary objectives of the investment program for the Pool, in priority order, shall be:

### **3.1. Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a prudent manner as to ensure the preservation and return of capital in the overall portfolio. To attain this objective, investments will only be made in highly rated or strongly collateralized securities with a very high probability of maintaining the principal amount invested. The County will diversify its investments by type, issuer, and maturity among a variety of securities with independent returns.

### **3.2. Liquidity**

The investment portfolio will remain sufficiently liquid to meet all anticipated cash flow requirements of all the Pool's depositors. This may be accomplished through a variety of investment strategies, such as laddering investment maturities to meet historical cash flow needs, seasonal disbursements, and one-time disbursement requests by depositors. To further ensure liquidity, a portion of the Pool may be in highly liquid securities which can easily be sold on the secondary market or matched to known expenditures such as bond payments. In addition, reserves may be held in a local government investment pool offering same day withdrawal.

### 3.3. Return on Investments

The investment portfolio strategy shall be designed with the objective of achieving a competitive market rate of return or yield, while adhering to credit quality requirements and liquidity needs. A market rate of return should correspond with the County's investment risk constraints identified in the Policy and the cash flow requirements of the depositors. Due to the primary objectives of safety and liquidity, the portfolio's yield may be lower than that of a higher risk and/or longer maturity investment pool.

### 3.4. Strategy

The core investment strategy will call for securities to be held to maturity. The following exceptions may apply:

- 3.4.1 Liquidity needs of the portfolio require a security to be sold;
- 3.4.2 A security with declining credit may be sold early to minimize loss of principal; or
- 3.4.3 Sale of a security before maturity may be made if such sale will allow investment in a higher yielding instrument and any loss upon sale can be more than compensated by additional interest earnings within a six-month period.

## 4. Delegation of Authority

In accordance with Government Code Section 27000-27013 and Government Code 53607, the Stanislaus County Board of Supervisors ("Board") has delegated the daily investment of Pool funds to the Treasurer. This is an annual delegation given to the Treasurer by the Board and can be revoked at any time. The Treasurer is responsible for all transactions undertaken and for establishing a system of controls to regulate the activities of staff authorized to invest, specifically the Assistant Treasurer-Tax Collector and the Chief Deputy Treasurer, and their procedures in the absence of the Treasurer.

## 5. Prudent Investor Standard

In accordance with Government Code 53600.3, the County Treasurer is a fiduciary subject to the "Prudent Investor Standard" which shall be applied in the context of managing the overall portfolio. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Treasurer shall act with care, skill, prudence, and diligence to meet the objectives set forth in the Policy to safeguard investment principal, maintain liquidity needs of the County and earn a reasonable competitive market rate of return.

## 6. Ethics and Conflicts of Interest

Investment officials shall refrain from personal business activity that could conflict with proper execution and management of the Policy and investment program, or which could impair their ability to make impartial decisions. Investment officials must provide a public disclosure document (Form 700) by February 1 of each year or when material interest in financial institutions or personal investment positions require it. Furthermore, investment officials must refrain from undertaking personal investment transactions with the same individual(s) employed by the financial institution with whom business is conducted on behalf of the County. All bond issue participants, including but not limited to, underwriters, bond counsel, financial advisors, brokers, and dealers will disclose any fee sharing arrangements or fee splitting to the Treasurer prior to the execution of any transactions.

## 7. Treasury Oversight Committee

In accordance with Government Codes 27130 - 27137 and 53646, the Board established a Treasury Oversight Committee ("Committee") in 1996. The purpose of the Committee is to review and monitor the Policy and regular reporting thereof. The Committee will cause an annual audit to be conducted to determine compliance with this Policy.



This policy shall be reviewed by the Treasurer annually, and any changes prepared by the Treasurer shall be reviewed and approved for propriety by the Committee, prior to being submitted for review and approval by the Board at a public meeting. The members of the Committee are the County Auditor-Controller (or designee), the County Superintendent of Schools (or designee) and a member of the public familiar with the investment industry.

In 2004, Government Code Section 27131 (b) was added to remove the mandate requiring counties to have a Committee. The Committee is now optional and no longer required. However, Stanislaus County chooses to maintain its Treasury Oversight Committee functionality as an added layer of oversight and transparency to the compliance of investment policies and government code.

Pursuant to Government Code Sections 27132.1, 27132.2 and 27132.3, Committee members are prohibited from:

- 7.1. Being an employee of an entity, which has contributed to the campaign fund of any candidate for local treasurer or legislative body either during membership or three years prior to membership.
- 7.2. Raising any money for a candidate for local treasurer or governing board.
- 7.3. Securing employment with bond underwriters, bond counsel, security brokerages or dealers, or like financial services while a Committee member or for three years after leaving the Committee.

An annual certification of compliance as prepared by the Treasurer shall be submitted by Committee members.

Pursuant to Government Code Section 27132.4, Committee meetings shall be open to the public and subject to the Ralph M. Brown Act.

#### **8. Limits on Honoraria, Gifts, and Gratuities**

A limit of \$50 per calendar year is placed on the receipt of honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the County Treasury ("Treasury") conducts business by any member of the Committee, the Treasurer and any staff involved in the investment process. A Statement of Economic Interests (Form 700 from the California Fair Political Practices Commission) will be collected from the Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, and Chief Deputy Treasurer on an annual basis. Committee members will confirm their understanding and agreement with these limitations annually.

The acceptance of transportation, meals, and/or refreshments received during regularly scheduled conferences (such as the California Association of County Treasurers and Tax Collectors – CACTTC) are not prohibited by this Policy.

#### **9. Authorized Broker/Dealers and Institutions**

In accordance with Government Code 53601.5, the Treasurer shall maintain an approved list of broker/dealers and institutions authorized to provide investment services to the County. The approved list may include "primary" or regional dealers qualified under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule) with a minimum capitalization of \$250,000 and have at least one major office in the State of California. Broker/Dealers staff assigned to Stanislaus County accounts must have at least five years of experience in California public agency investing with knowledge of investment products acceptable under the Stanislaus County Investment Policy. The firms and individuals assigned to the County accounts shall be reputable and trustworthy. No public deposit shall be made except in a qualified public depository as established by Law. All financial institutions and broker/dealers proposing to conduct investment transactions with the County shall supply the following to the Treasurer for review:

- 9.1. Proof of registration with the Financial Industry Regulation Authority (FINRA)
- 9.2. Proof of registration with the State of California
- 9.3. Completed Broker/Dealer questionnaire
- 9.4. Certification of review and willingness to comply with all aspects of this Policy.

Broker/Dealers are prohibited from making political contributions to any candidate for the Board or Treasurer, which exceed the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board. The County is prohibited from selecting any broker/dealer or security firm within any consecutive 48-month period following a contribution exceeding the limit set forth in the above rule.

A review of the financial condition and registrations of previously approved Broker/Dealer firms will be conducted by the Treasurer, at least annually or more often, as needed. A current audited financial statement is required to be on file for each financial institution and broker/dealer on the County's approved list.

### **10. Authorized Investments**

In accordance with Government Code 53601 and 53635, investments will only be made in authorized securities with a maturity date of five (5) years or less from the transaction settlement date unless otherwise approved by the Board. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.

For the purpose of approved investments and compliance with the investment percentage limits compared to the overall portfolio balance, calculations shall be performed on the date the investment is purchased. If the percentage is legally compliant on the date of purchase, then compliance with the Law shall have been met. Calculations are to be based on the final maturity date, and neither duration nor average days may be used.

The investment instruments listed in Attachment 1 are authorized for investment and any instrument not listed are specifically prohibited. Authorized investments are allowed under California State Government Code 53601 and 53635 and concentration limitations are equivalent to, or more conservative than, the code allows.

### **11. Non-Authorized Investments**

In accordance with Government Code 53601.6, investments in derivative securities such as inverse floaters, range notes, or mortgage-derived, interest-only strips or any securities that could result in zero interest accrual if held to maturity are prohibited.

### **12. Due Diligence - Investment Pools and Mutual Funds**

Due diligence shall be performed by investigating any pool or fund prior to investing and on an annual basis thereafter. A completed questionnaire will be required which will answer the following questions:

- 12.1. A description of eligible investment securities, and a written statement of investment policy and objectives.
- 12.2. A description of interest calculations and how interest is distributed, and how gains and losses are treated.
- 12.3. A description of how the securities are safeguarded (including the settlement processes), how often the securities are priced, and the how often the program is audited for compliance.
- 12.4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- 12.5. A schedule for receiving statements and portfolio listings.

12.6. Are reserves, retained earnings, etc. utilized by the pool/fund?

12.7. A fee schedule, and when and how is it assessed.

12.8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

All Due Diligence reviews will be maintained with the annual investment files for a period of five (5) years. Third-party safekeeping arrangements will be approved by the Treasurer and will be corroborated by a written custodial agreement.

### **13. Review of Investment Portfolio**

The securities held by the Pool must be in compliance with Section 10.0 Authorized Investments at the time of purchase. The Treasurer shall review the portfolio, at least monthly, to identify any securities that may not comply with Section 10.0 Authorized Investments after the date of purchase and establish a procedure to report to the Board and Committee any major or critical incidences of non-compliance identified through review of the portfolio. To ensure diversification of the portfolio, purchases of the following types of investments will limit commercial issuers to 10% across all asset types:

- 13.1 Certificates of Deposit
- 13.2 Negotiable Certificates of Deposit
- 13.3 Yankee Certificates of Deposit
- 13.4 Commercial Paper
- 13.5 Medium-Term and Corporate Notes

### **14. Collateralization**

In accordance with Government Code 53601, collateralization will be required on certificates of deposit and repurchase agreements. To anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value for certificates of deposit and 102% or greater based on the collateral type for repurchase agreements. Collateralization of any investment will be in accordance with securities approved under this policy. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

### **15. Safekeeping & Custody**

In accordance with Government Code 53608, all security transactions, including collateral for repurchase agreements, entered into by the Treasurer shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping statements. Third-party safekeeping arrangements will be approved by the Treasurer and will be corroborated by a written custodial agreement.

### **16. Diversification**

The Treasurer will diversify the Pool investments by security type and institution to achieve a diversified mix of independent maturities. No more than 10% of the total portfolio may be invested in the securities of any single issuer, across all investment types, other than the US Government, its agencies and instrumentalities.

### **17. Maximum Maturities**

Investment purchases shall not include securities maturing more than five years from the date of purchase unless previously approved by the County Board of Supervisors. If approved by the Board,

reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. Board approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.

### **18. Internal Controls**

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Pool are protected from loss, theft, fraud or misuse. Accordingly, the Treasurer shall budget for independent review by an external auditor, with the scope of the audit to be determined by the Auditor-Controller in consultation of the Treasury Oversight Committee. This review will provide internal control by assuring investment transactions are in compliance with policies, procedures and laws.

The annual audit shall be supervised by a Certified Public Accountant (CPA) who shall render an opinion to the Committee. The opinion shall be forwarded to the Board for review and acceptance. The selection of the CPA shall be by the Stanislaus County Auditor-Controller as a Committee member.

### **19. Performance Standards**

The investment portfolio shall be designed with the objective of earning a rate of return throughout budgetary cycles, corresponding with the investment risk constraints and the cash flow needs of the Pool.

### **20. Reporting**

In accordance with Government Code 53607, a monthly report shall be prepared by the Treasurer no later than 30 days following the end of the monthly reporting period. A copy of the report will be forwarded to Committee members, and the Treasurer will maintain a file of their acceptance. The report will be forwarded to the Board for final review and acceptance. The report will be provided through both the Board and Treasurer's web sites.

The monthly report shall include:

- 20.1. A concise management summary of Pool activity and position rendered with statements of review and reconciliation with custodial records, source of market valuation, ability to meet next six (6) month's expenditures and for compliance with this Policy by the Treasurer.
- 20.2. A detailed listing of securities held at the end of the month grouped by investment type (e.g. CD, CP, MTN) and delineated as follows:
  - 20.2.1. Issuing agency (e.g. U.S. Government, FHLB, Toyota Motor Credit)
  - 20.2.2. Date purchased
  - 20.2.3. Date of maturity
  - 20.2.4. Par Value
  - 20.2.5. Book Value
  - 20.2.6. Market value
  - 20.2.7. Stated rate (coupon rate)
  - 20.2.8. Yield-to-Maturity
  - 20.2.9. Days-to-Maturity
- 20.3. A detailed listing of security transactions during the report period (purchases, sales and maturities) grouped by investment type and to include the following:

- 20.3.1. Date of transaction
- 20.3.2. Issuing agency (e.g. U.S. Government, FHLB, Toyota Motor Credit)
- 20.3.3. Purchase, Deposit, Sale, Maturity or Withdrawal Amount
- 20.3.4. Stated rate (coupon rate)
- 20.3.5. A summary of Pool position by investment type dollar amount, percentage of total portfolio and average weighted maturity showing compliance with Policy limitations.
- 20.3.6. A summary by investment type of purchases and sales/maturities and ending position.

## **21. Investment Policy Adoption**

In accordance with Government Code 53646, the Policy shall be adopted by resolution of the Board. The Policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

The Treasurer shall establish written procedures for the operation of the investment program consistent with this Policy. The procedures will include reference to: safekeeping, master repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer.

## **22. Investment Pool Expenses**

The expenses for administration of the Pool shall be borne by all depositors by the utilization of investment earnings to offset the costs. Costs include normal Treasury costs for staff and support services in the areas of:

- 22.1. Handling, safekeeping, and depositing monies received;
- 22.2. Investment transactions and custodial safekeeping of securities;
- 22.3. Bank services; accounting, reporting, and auditing of deposit and investment transactions;
- 22.4. Training, informational, and educational materials and services related to financial markets, investments, and individual business and governmental entities' financial condition; and
- 22.5. Other duties and costs related to the management of Pool funds.

Appropriate costs normally charged as "Treasury/org 30400" on the Stanislaus County Auditor-Controller's records will incorporate and clearly define the Pool expenses.

## **23. Agencies' Voluntary Depositing and Withdrawal**

"Voluntary" agency depositing is discouraged due to the potential volatility of depositing and withdrawal, which may occur. The Pool is designed as an operating fund for the County and entities, which are required to deposit by Law or have historically utilized the efficiencies of the Treasury. Only those agencies which use the Treasury for operational purposes due to their ties to County departmental functions, area schools or special public districts and are either required or allowed to deposit funds in the Treasury are allowed to be participants in the Pool.

Withdrawals from the Pool, for investment purposes outside of the Pool, by non-County member agencies may be done if the following conditions are met:

- 23.1. The agency has provided the Treasurer with legal authority that it can invest funds outside of the Pool and specifying that responsibility for investment of funds now resides with the agency;

- 23.2. The agency shows evidence of maintaining a minimum cash balance of one month's normal payroll expenditures for 30 days prior to the date of request as verified by the County Auditor-Controller;
- 23.3. The agency withdraws a minimum of \$1,000,000 and will continue to maintain a minimum Pool cash balance of one month's normal payroll costs;
- 23.4. The agency makes its request in writing signed by an authorized representative of the agency's board; and
- 23.5. The agency must allow two business days for each five million dollars or increment thereof which is being withdrawn (e.g. a \$15,000,000 withdrawal would require that the Treasurer receive a completed request form with appropriate signatures and verifications 6 business days before the funds are released)

If the withdrawing agency's Pool cash balance falls below one month's payroll expense, the Treasurer may demand that funds be retrieved to restore the Pool cash balance to such level.

Reinvestment of funds from external investments (e.g. California State Local Agency Investment Fund) may be done without the above procedures. The Treasurer's Office may verify with the Auditor's Office, by email, that the agency has one month's payroll expenditures as cash in the Pool exclusive of the redemption of the external investment funds.

**24. Investment Earnings Apportionment and Rate**

The Pool's investment earnings shall be apportioned by the following method. The investment earnings, which have been received in cash and accumulated from the beginning to the end of each calendar quarter, shall be apportioned to each cash balance fund maintained within the Pool. The apportionment of earnings to any cash balance fund will be in direct proportion of that fund's average daily cash balance to the entire Pool's average daily cash balance for that same quarter.

Example:

Earnings received for the quarter ending March 31	\$5,000,000
Fund ABC average daily cash balance during the quarter	\$10,000,000
Treasury Pool average daily cash balance during the quarter	\$500,000,000
Interest earnings apportioned to Fund ABC would be calculated as \$5,000,000 x (\$10,000,000/\$500,000,000)	\$100,000

Cash balance accounts shall be maintained in and earnings apportionment shall be performed by the County Auditor-Controller's Office.

The cash earnings apportionment rate is calculated as the investment earnings received on a cash basis for the quarter divided by the average daily cash balance for the entire Pool, annualized (times four). In the example above the cash earnings apportionment rate would be 4% [(\$5,000,000 / \$500,000,000) x 4].

**25. Exemptions and Amendments**

Any investment held prior to the adoption of changes to this Policy, which does not meet the revised guidelines of the Policy, shall be exempted from the requirements. Upon that investment's maturity or liquidation, the monies received shall be invested in accordance with this Policy.

**ATTACHMENT I – AUTHORIZED INVESTMENTS**

<b>Authorized Investments</b>	<b>Authorized by CA Gov Code</b>	<b>Maximum Maturity</b>	<b>Maximum % or \$ Limit of Portfolio</b>	<b>Issuer Concentration % Limit</b>	<b>Minimum Credit Quality</b>	<b>Additional Requirements</b>
<b>Local Agency Bonds, Notes, and Warrants</b>						
Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency including Stanislaus County.	53601 (a)(e)	5 years	None	None	None	None
<b>U.S. Treasury Obligations</b>						
United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.	53601 (b)	5 years	None	None	None	None
<b>California State Registered Warrants, Treasury Notes, and Bonds</b>						
Registered State warrants or Treasury notes or bonds of this State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.	53601 (c)	5 years	None	None	None	None

Authorized Investments	Authorized by CA Gov Code	Maximum Maturity	Maximum % or \$ Limit of Portfolio	Issuer Concentration % Limit	Minimum Credit Quality	Additional Requirements
<b>State Registered Treasury Notes and Bonds</b>						
Registered Treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a State or by a department, board, agency, or authority of any of the other 49 states, in addition to California.	53601 (d)	5 years	None	None	None	None
<b>U.S. Agency Obligations</b>						
Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.	53601 (f), 53601.6	5 years	None	None	None	None
<b>Bankers' Acceptances</b>						
Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.	53601 (g)	180 days	40%	30%	None	None



Authorized Investments	Authorized by CA Gov Code	Maximum Maturity	Maximum % or \$ Limit of Portfolio	Issuer Concentration % Limit	Minimum Credit Quality	Additional Requirements
<b>Commercial Paper</b>						
Commercial paper of "prime" quality only. The entity that issues the commercial paper shall meet all of the following conditions: (A) Is organized and operating in the United States as a general corporation. (B) Has total assets in excess of five hundred million dollars (\$500,000,000). (C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.	53601 (h), 53601.2, 53635 (a)	270 days	40%	10%	"A-1" by S&P or equivalent by an NRSRO	Must not exceed 10% of the outstanding commercial paper of one issuer, commercial paper must be 3(a)3 only. 144A commercial paper is not allowed. NRSRO is a nationally recognized statistical rating organization.
<b>Negotiable Certificates of Deposit</b>						
Negotiable certificates of deposit issued by a Nationally- or State-Chartered Bank, or by a Federally- or State-Licensed branch of a foreign bank. NCD's are highly liquid and actively traded in the secondary market.	53601 (i), 53638	5 years	30%	10%	None	The deposit shall not exceed the shareholder's equity of any depository bank.
<b>Certificates of Deposit (Non-Negotiable)</b>						
Certificates of deposit issued by a nationally or state-chartered bank which are 110% collateralized by the institution with government securities.	53635, 53635.2, 53635.8, 53636, 53637, 53638, 53641	5 years	None	10%	None	The deposit shall not exceed the shareholder's equity of any depository bank.

Authorized Investments	Authorized by CA Gov Code	Maximum Maturity	Maximum % or \$ Limit of Portfolio	Issuer Concentration % Limit	Minimum Credit Quality	Additional Requirements
<b>Repurchase Agreement</b>						
Repurchase Agreement for any security authorized by government code 53601 with an approved broker/dealer and a third-party custodial bank. Signed Master Repurchase Agreement is required.	53601 (j)	1 year	None	None	None	The market value of the agreement's underlying securities shall be valued at 102% or greater. Reverse repurchase agreements are prohibited.
<b>Medium-Term and Corporate Notes</b>						
Debt securities issued by corporate or depository institutions operating or licensed in the United States with a maximum remaining maturity of five years or less.	53601 (k)	5 years	30%	10%	"A" by S&P or equivalent by an NRSRO	Notes purchased at par or a discount and payable at par or greater are preferred. Private placement notes are prohibited.
<b>Mutual Funds (Beneficial Interest)</b>						
Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by Government Code 53601 (a) to (l) inclusive and have assets under management in excess of \$500 million.	53601 (l)(1)	N/A	20%	10%	See Additional Requirements	Mutual Fund must receive highest rating by not less than two NRSROs or have an investment advisor registered or exempt from registration with the Securities & Exchange Commission (SEC) with at least five years' experience investing in instruments authorized by Sections 53601 and 53635 with assets under management in excess of \$500 million dollars.

Authorized Investments	Authorized by CA Gov Code	Maximum Maturity	Maximum % or \$ Limit of Portfolio	Issuer Concentration % Limit	Minimum Credit Quality	Additional Requirements
<b>Money Market Mutual Funds (Beneficial Interest)</b>						
Shares of beneficial interest issued by diversified management companies that are money market funds registered with the SEC under the Investment Company Act of 1940 (15 U.S.C. Sec 80a-1 et seq.)	53601 (l)(2)	N/A	20%	None	See Additional Requirements	Money Market Mutual Fund must receive highest rating by not less than two NRSROs or have an investment advisor registered or exempt from registration with the SEC with at least five years' experience investing in money market mutual funds with assets under management in excess of \$500 million dollars.
<b>California Asset Management Program (CAMP)</b>						
CAMP is a California Joint Powers Authority established in 1989 for public agencies to jointly exercise their common power to invest surplus funds.	53601 (p)	N/A	None	N/A	None	To be used for reserves and liquidity
<b>Local Agency Investment Fund (LAIF)</b>						
LAIF is a voluntary program created by statute in 1977 as an investment alternative for California's local governments and special districts.	16429.1 (b)	N/A	\$75 million or as approved by the State Treasurer	N/A	None	To be used for reserves and liquidity

Authorized Investments	Authorized by CA Gov Code	Maximum Maturity	Maximum % or \$ Limit of Portfolio	Issuer Concentration % Limit	Minimum Credit Quality	Additional Requirements
<b>Supranational Bonds and Notes</b>						
Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC) and Inter-American Development Bank (IADB) and eligible for purchase and sale in the United States.	53601 (q)	5 years	30%	None	"AA" by S&P or equivalent by an NRSRO	None

## ATTACHMENT II – GLOSSARY

**AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.

**BANKERS' ACCEPTANCE (BA):** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**BROKER:** A broker brings buyers and sellers together for a commission.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):** The official annual report of the (*entity*). It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**COUPON:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DELIVERY VERSUS PAYMENT:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DERIVATIVES:** (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

**DISCOUNT:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest-bearing money market instruments that are issued a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**DURATION:** A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years.

**FEDERAL AGENCIES:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

**FEDERAL HOME LOAN BANKS (FHLB):** Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks,

thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):** Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MUTUAL FUND:** An investment company that pools cash and is able to invest in a variety of securities, including fixed-income securities and money market instruments, as outlined in the fund's prospectus.

**NRSRO:** National Recognized Statistical Rating Organization; current NRSROs include: A.M. Best Rating Services, Inc., DBRS, Inc., Egan-Jones Ratings Co., Fitch Ratings, Inc., HR Ratings de México, S.A. de C.V., Japan Credit Rating Agency, Ltd., Kroll Bond Rating Agency, Inc., Moody's Investors Service, Inc., & S&P Global Ratings.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

**PRUDENT PERSON RULE:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of

capital.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

**REPURCHASE AGREEMENT (REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate the buyer for this.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):** Reverse repurchase agreements are forms of short-term lending and borrowing using bonds or securities as collateral.

**RULE G-37 OF THE MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB):** Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES & EXCHANGE COMMISSION (SEC):** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SEC RULE 15(C)3-1:** See Uniform Net Capital Rule.

**STRUCTURED NOTES:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

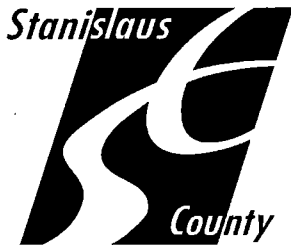
**TREASURY BILLS:** A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY BONDS:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**TREASURY NOTES:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**YIELD:** The annual rate of income returned on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



Striving to be the Best

**OFFICE OF TREASURER/TAX COLLECTOR**

**Donna Riley**  
**Treasurer/Tax Collector**

PO Box 3052, Modesto, CA 95353-0859  
Phone: 209.525.6524 Fax: 209.525-4333

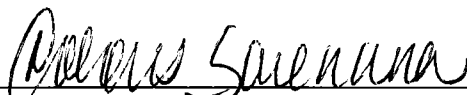
**County of Stanislaus Treasury Pool**  
**Monthly Investment Report**  
**June 2022**

The Stanislaus County Treasury Pool yield to maturity for June was 0.96%. The Average-Days-to-Maturity at the end of June was 784 days.

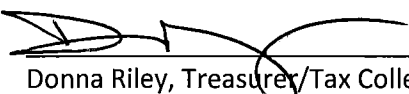
With our current cash flow and investment schedule, we will have sufficient cash to meet our historical cash needs for the next six months, through the end of December 2022.

The portfolio has been reviewed by both the Treasurer/Tax Collector and the Assistant Treasurer/Tax Collector for compliance with the investment policy. The US Bank custodial statement has been reviewed by both the Treasurer/Tax Collector and the Assistant Treasurer/Tax Collector for accuracy and completeness. The custodial statement is the source of market valuation for securities held by our custodial agent. All other securities are valued at cost.

The Treasury Monthly Investment Report for June 2022 has been forwarded to the Treasury Oversight Committee members.

  
\_\_\_\_\_  
Dolores Sarenana, Assistant Treasurer/Tax Collector

7/29/2022  
Date

  
\_\_\_\_\_  
Donna Riley, Treasurer/Tax Collector

07/29/2022  
Date

The County of Stanislaus Board of Supervisors has reviewed and accepted the June 2022 Treasurer's Monthly Investment Report.

  
\_\_\_\_\_  
Chairman, Board of Supervisors

8/16/22  
Date





**STANISLAUS COUNTY  
SHORT-TERM INVESTMENT POOL SUMMARY  
JUNE 30, 2022**

CASHFLOW:	JUNE 2022	YTD FY 2021/2022	JUNE 2021	YTD FY 2020/2021
BEG. CASH BALANCE	\$ 2,074,910,715.82	\$ 1,856,172,708.82	\$ 1,709,660,410.41	\$ 1,588,704,847.52
RECEIPTS	453,398,825.43	3,866,235,547.47	429,162,874.80	3,536,474,818.96
DISBURSEMENTS	(333,919,531.36)	(3,528,018,246.40)	(282,650,576.39)	(3,269,006,957.66)
ENDING CASH BALANCE	\$ 2,194,390,009.89	\$ 2,194,390,009.89	\$ 1,856,172,708.82	\$ 1,856,172,708.82

INTEREST INCOME:	JUNE 2022	YTD FY 2021/2022	JUNE 2021	YTD FY 2020/2021
INTEREST RECEIVED	\$ 1,380,760.71	\$ 18,500,137.34	\$ 1,696,199.17	\$ 25,020,289.81
TREASURY EXPENSE*	(78,272.55)	(540,506.92)	(73,052.48)	(571,825.79)
AUDITOR EXPENSE*	11,359.26	(145,578.65)	(10,620.85)	(169,902.54)
NET DISTRIBUTION	\$ 1,313,847.42	\$ 17,814,051.77	\$ 1,612,525.84	\$ 24,278,561.48

\*BASED ON ACTUALS

	DOLLAR COST	MARKET VALUE	MAX INVEST. AS % OF TOTAL	INVESTMENTS AS % OF TOTAL	MAX DAYS TO MATURE	AVG DAYS TO MATURE	YTM 360 EQUIV.
BALANCE - 06/30/2022							
NEGOTIABLE CERT. OF DEPOSIT	\$ 170,000,000.00	\$ 168,666,610.00	30.00%	7.81%	1,825	156	0.76%
COMMERCIAL PAPER	49,747,605.56	49,747,300.00	40.00%	2.28%	270	73	0.80%
MANAGED POOL - LAIF	0.00	0.00		0.00%		0	0.00%
MANAGED POOL - CAMP	200,000,000.00	200,000,000.00		9.19%		1	1.36%
AGENCIES	1,045,278,151.80	986,638,063.83		48.00%	1,825	981	0.83%
TREASURIES	180,092,330.76	171,164,000.00		8.27%	1,825	813	0.66%
MEDIUM TERM NOTES	529,259,912.29	495,601,901.39	30.00%	24.31%	1,825	952	1.26%
MUNICIPAL BONDS	3,000,000.00	2,838,637.50		0.14%		732	0.49%
TOTAL INVESTMENTS	\$ 2,177,378,000.41	\$ 2,074,656,512.72		100.00%		784	0.96%
BOOK CASH BALANCE	17,012,009.48	17,012,009.48					
TOTAL	\$ 2,194,390,009.89	\$ 2,091,668,522.20					

BOOK & BANK BALANCE RECONCILIATION:

ORACLE FMS ENDING BOOK CASH BALANCE	\$ 16,909,851.69
TREASURY DEPOSITS IN TRANSIT (VAULT)	102,157.79
BANK RETURNED CHECKS	0.00
BOOK CASH BALANCE	\$ 17,012,009.48
<u>UNRECORDED BANK ITEMS</u>	
TREASURY/TAXES/RR CREDIT CARD REVENUE	(1,154,103.09)
TREASURY DEPOSITS IN TRANSIT (CASH/COIN SHIPMENTS)	(246,000.00)
TREASURY CASH ON HAND (VAULT)	(102,157.79)
<u>UNRECORDED BOOK ITEMS</u>	
BANK CREDITS/REVENUE	126,975.67
BANK DEBITS/WITHDRAWALS	(6,486,573.99)
BANK RETURNED CHECKS	0.00
BANK CASH BALANCE	\$ 9,150,150.28

ORACLE FMS TOTAL INVESTMENTS RECONCILIATION:

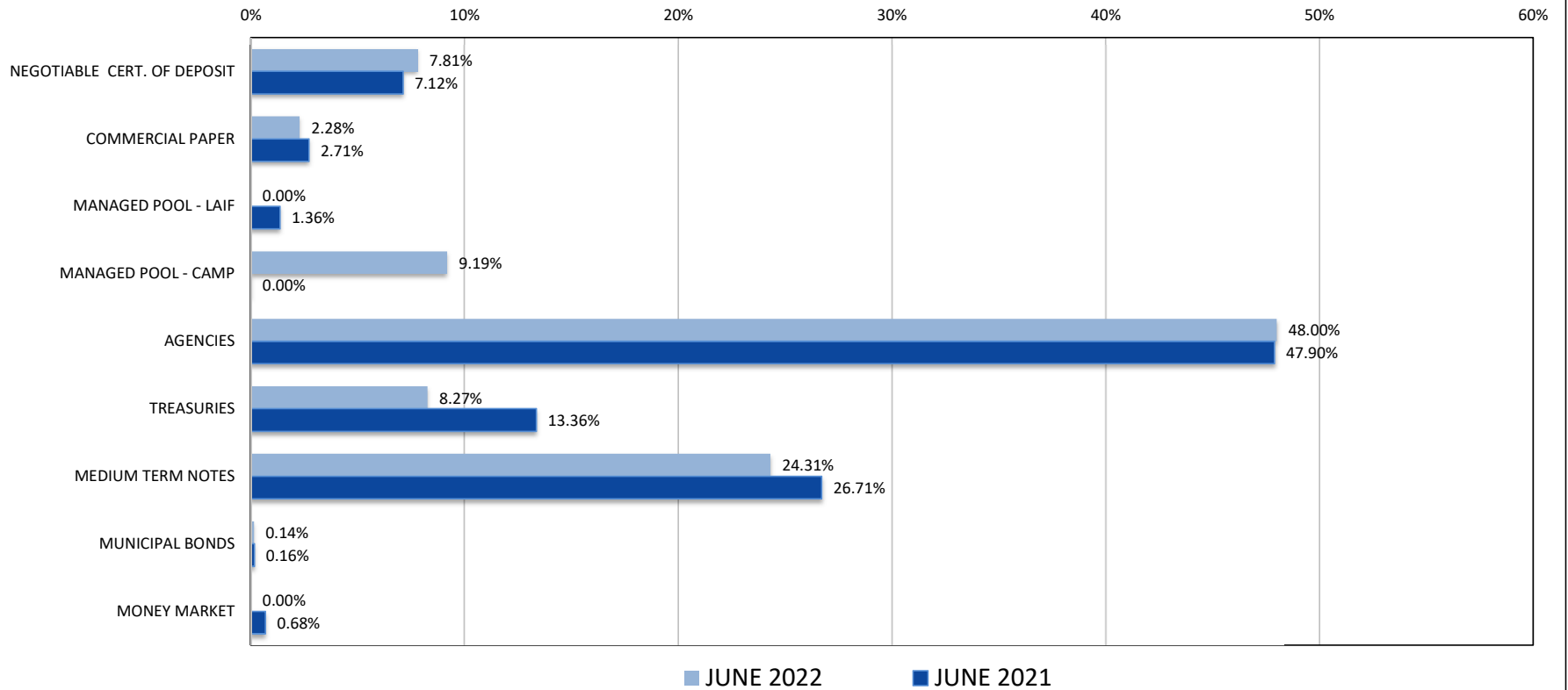
POOLED CASH - ALL FUNDS ON DEPOSIT	\$ 2,130,834,631.83
OUTSTANDING CHECKS/TRANSACTIONS	59,568,958.32
UNDISTRIBUTED YTD INTEREST	3,986,419.74
TOTAL CASH & INVESTMENTS	\$ 2,194,390,009.89

POOLED CASH PARTICIPANT DETAIL

COUNTY	41%	\$ 881,736,088.21
SCHOOL DISTRICTS	56%	1,198,674,093.87
SPECIAL DISTRICTS	2%	50,424,449.75
TOTAL	100%	\$ 2,130,834,631.83

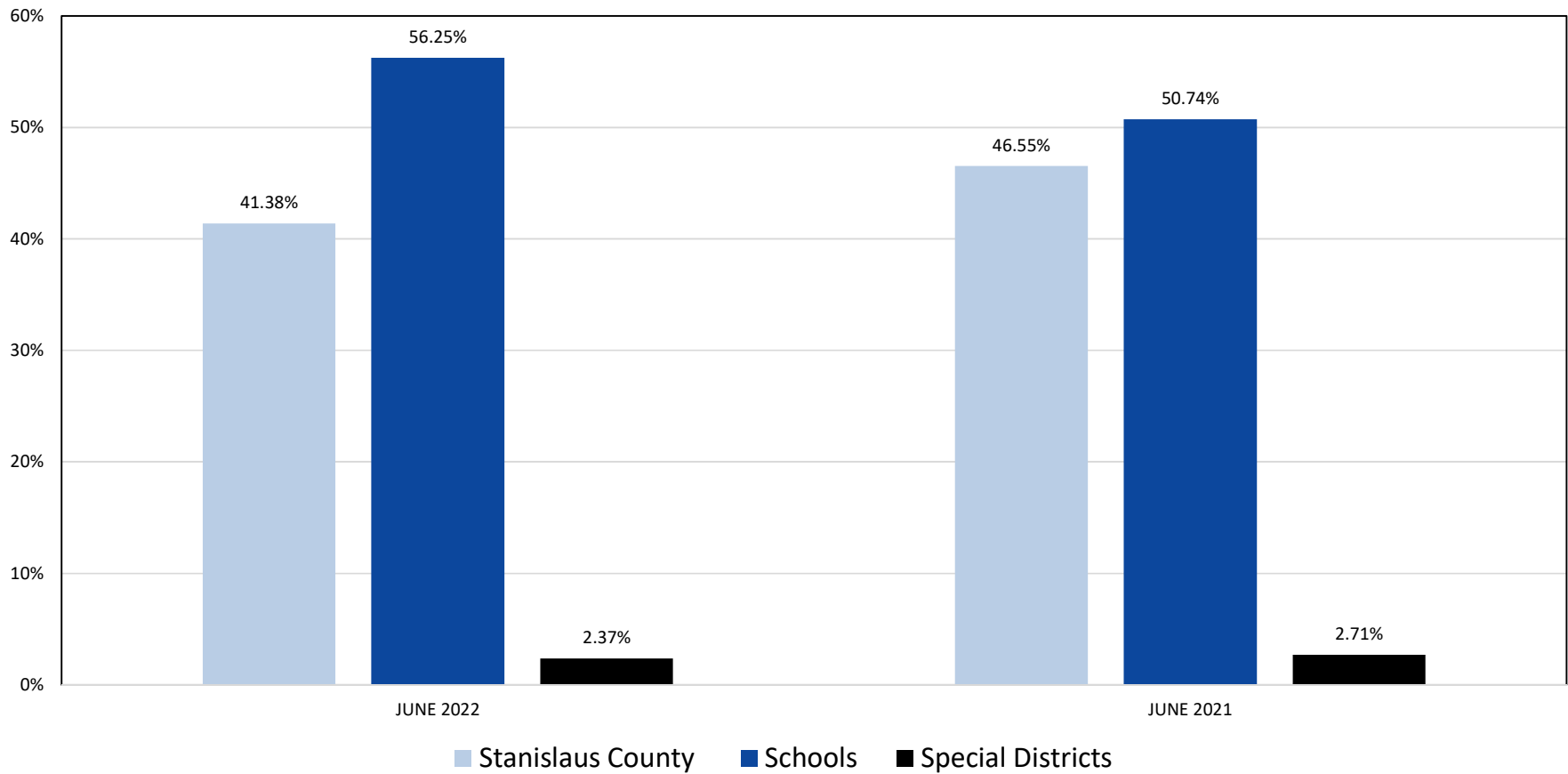


**STANISLAUS COUNTY TREASURY POOL  
YEARLY COMPARISON OF ASSET DISTRIBUTION  
JUNE 30, 2022  
VS. JUNE 30, 2021**



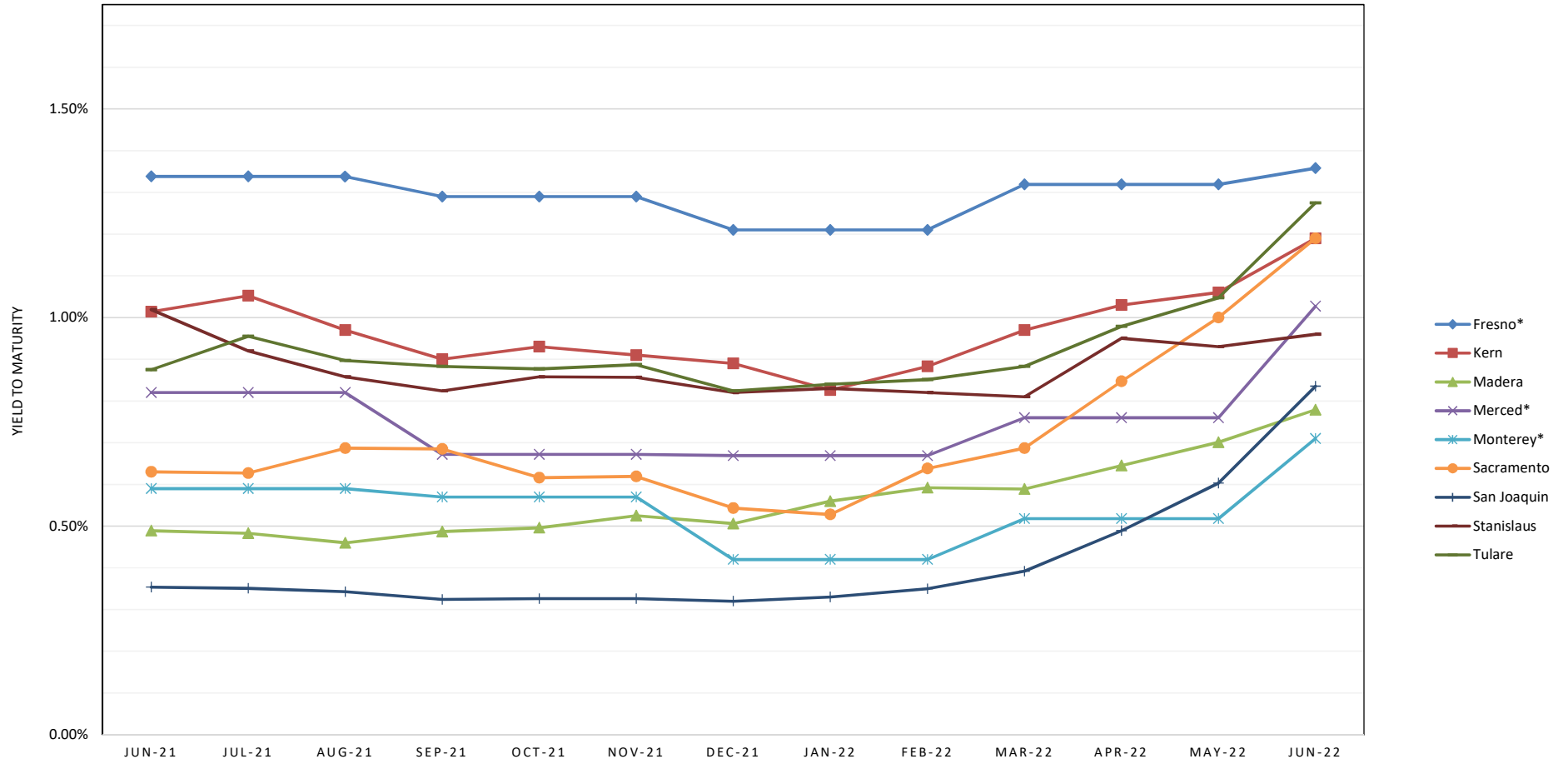


**STANISLAUS COUNTY TREASURY POOL  
YEARLY COMPARISON OF PARTICIPANTS  
JUNE 30, 2022  
VS. JUNE 30, 2021**





**STANISLAUS COUNTY TREASURY POOLED INVESTMENTS  
COMPARISON OF YIELD TO MATURITY FOR EIGHT COMPARABLE COUNTIES  
JUN 2021 - JUN 2022**

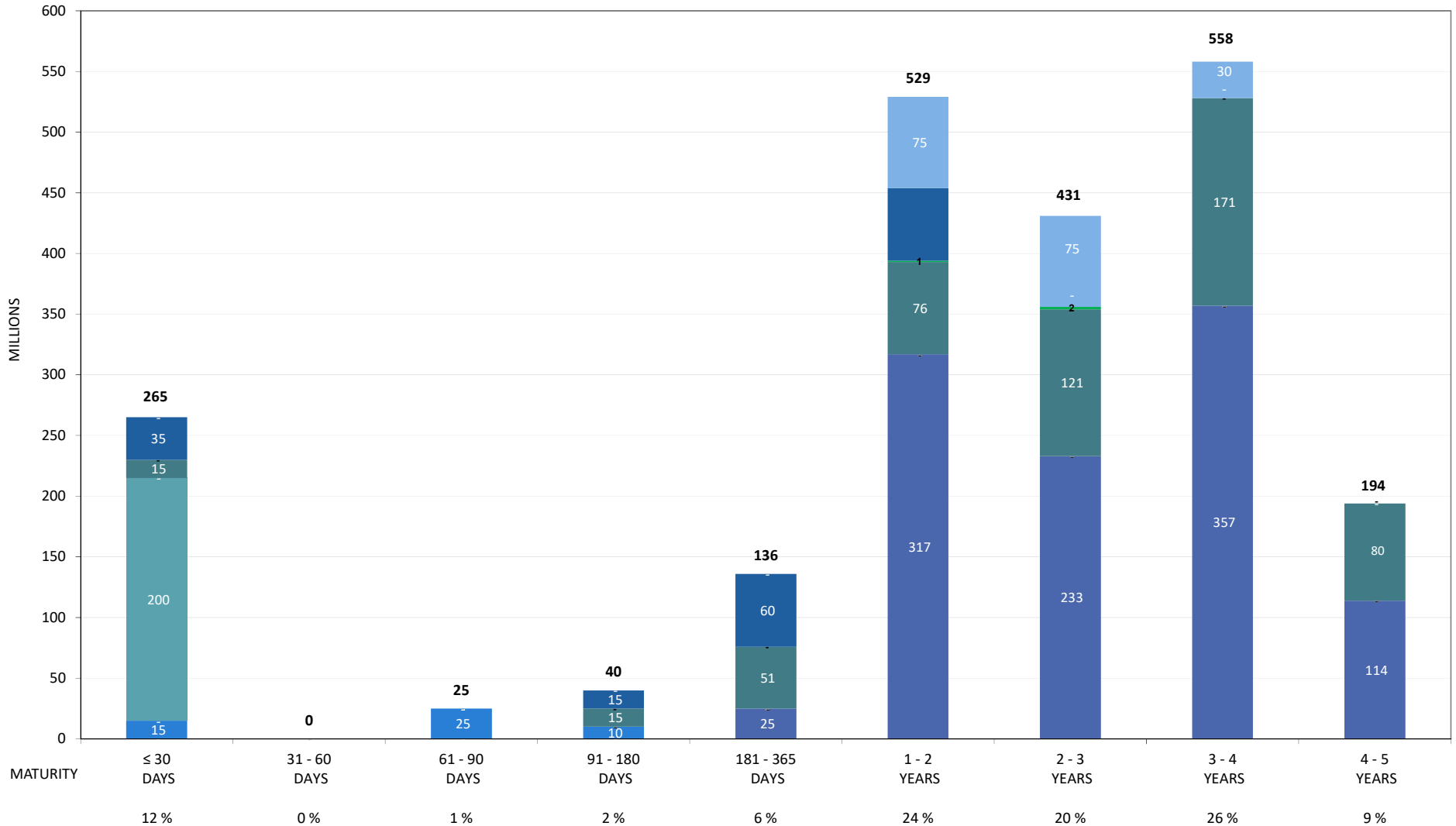


\*PUBLISHED QUARTERLY



## STANISLAUS COUNTY TREASURY POOL LONG TERM MATURITY DISTRIBUTION JUNE 30, 2022

- AGENCIES
- COMMERCIAL PAPER
- MANAGED POOL - LAIF
- MANAGED POOL - CAMP
- MONEY MARKET
- MEDIUM TERM NOTES
- MUNICIPAL BONDS
- NEGOTIABLE CERT. OF DEPOSIT
- TREASURIES





**STANISLAUS COUNTY TREASURY POOL  
INTEREST ON INVESTMENTS  
JUNE 2022**

DATE	90110/11 CERTIFICATE OF DEPOSIT	90115 COMMERCIAL PAPER	90125 MANAGED FUNDS (LAIF)	90126 MANAGED FUNDS (CAMP)	90130/31 AGENCIES COUP./DISC.	90132/33 TREASURIES COUP./DISC.	90140 MED. TERM NOTES	90145 MUNICIPAL BONDS	90165 MONEY MARKET	90103 JPM CHECKING	SYMPRO TOTAL	ORACLE	VARIANCE
1							104,812.50	7,487.50		0.27	\$ 112,300.27	\$ 112,300.27	-
2											-	\$ -	-
3				8,762.65			500.00				9,262.65	\$ 9,262.65	-
4											-		-
5											-		-
6							219,003.24				219,003.24	219,003.24	-
7											-		-
8											-		-
9					72,750.00						72,750.00	\$ 72,750.00	-
10					43,750.00						43,750.00	\$ 43,750.00	-
11											-		-
12											-		-
13					76,750.00						76,750.00	\$ 76,750.00	-
14					287,500.00						287,500.00	287,500.00	-
15						18,750.00					18,750.00	18,750.00	-
16					265,000.00						265,000.00	\$ 265,000.00	-
17					85,500.00						85,500.00	\$ 85,500.00	-
18											-		-
19											-		-
20											-		-
21					21,000.00		140,625.00				161,625.00	161,625.00	-
22											-		-
23					25,000.00						25,000.00	25,000.00	-
24					53,000.00						53,000.00	\$ 53,000.00	-
25											-		-
26											-		-
27											-		-
28					48,750.00						48,750.00	48,750.00	-
29					23,250.00						23,250.00	23,250.00	-
30					61,244.85	47,199.91	(229,875.21)				(121,430.45)	(121,430.45)	-
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ 8,762.65	\$ 1,063,494.85	\$ 65,949.91	\$ 235,065.53	\$ 7,487.50	\$ -	\$ 0.27	\$ 1,380,760.71	\$ 1,380,760.71	\$ -



**Stanislaus County Pool 2021/22  
Portfolio Management  
Portfolio Summary  
June 30, 2022**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>
Negotiable CDs	170,000,000.00	168,666,610.00	170,000,000.00	7.81	379	156	0.760
Commercial Paper Disc. -Amortizing	50,000,000.00	49,747,300.00	49,888,666.67	2.29	224	73	0.796
Managed Pool Account - CAMP	200,000,000.00	200,000,000.00	200,000,000.00	9.19	1	1	1.361
Federal Agency Coupon Securities	1,044,799,000.00	986,638,063.83	1,045,278,151.80	48.00	1,482	981	0.830
Treasury Coupon Securities	180,000,000.00	171,164,000.00	180,068,781.04	8.27	1,113	813	0.661
Medium Term Notes	525,492,000.00	495,601,901.39	529,220,592.26	24.30	1,315	952	1.258
Municipal Bonds	3,000,000.00	2,838,637.50	3,000,000.00	0.14	1,426	732	0.492
<b>Investments</b>	<b>2,173,291,000.00</b>	<b>2,074,656,512.72</b>	<b>2,177,456,191.77</b>	<b>100.00%</b>	<b>1,160</b>	<b>784</b>	<b>0.962</b>

<b>Total Earnings</b>	<b>June 30 Month Ending</b>	<b>Fiscal Year To Date</b>	<b>Fiscal Year Ending</b>
Current Year	1,261,091.24	19,099,898.00	19,099,898.00
<b>Average Daily Balance</b>	<b>2,068,651,302.25</b>	<b>1,908,562,519.58</b>	
<b>Effective Rate of Return</b>	<b>0.74%</b>	<b>1.00%</b>	

**Stanislaus County Pool 2021/22**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2022**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Negotiable CDs</b>												
63873QRM8	3864	Natixis Banque Popular NY		12/07/2021	10,000,000.00	9,997,600.00	10,000,000.00	0.320	0.320	0.324	6	07/07/2022
60710RMF9	3874	Mizuho Bank LTD/NY		12/21/2021	25,000,000.00	24,975,000.00	25,000,000.00	0.330	0.330	0.335	26	07/27/2022
53947CM96	3826	Lloyds Bank Corp		08/27/2021	25,000,000.00	24,931,750.00	25,000,000.00	0.220	0.220	0.223	56	08/26/2022
90275DNV8	3781	UBS Ag Stamford Ct		04/09/2021	15,000,000.00	14,903,610.00	15,000,000.00	0.250	0.250	0.253	102	10/11/2022
06426GUN5	3780	Bank of the West		04/08/2021	10,000,000.00	9,947,100.00	10,000,000.00	0.250	0.250	0.253	109	10/18/2022
22536ACV4	3882	Credit Agricole CIB		12/29/2021	20,000,000.00	19,749,200.00	20,000,000.00	0.450	0.450	0.456	181	12/29/2022
78012U4U6	3888	Royal Bank of Canada		03/30/2022	10,000,000.00	9,938,800.00	10,000,000.00	1.830	1.830	1.855	186	01/03/2023
85325VZH6	3902	Standard Chartered Bk NY		04/13/2022	15,000,000.00	14,890,350.00	15,000,000.00	2.040	2.040	2.068	227	02/13/2023
85325VZJ2	3901	Standard Chartered Bk NY		04/13/2022	15,000,000.00	14,884,950.00	15,000,000.00	2.060	2.060	2.089	235	02/21/2023
21684LCJ9	3868	Cooperatieve Rabobank UA		12/08/2021	25,000,000.00	24,448,250.00	25,000,000.00	0.700	0.690	0.700	374	07/10/2023
<b>Subtotal and Average</b>			<b>170,000,000.00</b>		<b>170,000,000.00</b>	<b>168,666,610.00</b>	<b>170,000,000.00</b>	<b>0.760</b>	<b>0.771</b>	<b>0.771</b>	<b>156</b>	
<b>Commercial Paper Disc. -Amortizing</b>												
63873KGS0	3859	Natixis Banque Popular NY		11/24/2021	15,000,000.00	14,982,150.00	14,997,083.33	0.280	0.283	0.287	25	07/26/2022
63873KJ24	3863	Natixis Banque Popular NY		12/07/2021	10,000,000.00	9,960,100.00	10,000,000.00	0.000	0.000	0.000	63	09/02/2022
62479MJE4	3893	MUFG Bank LTD/NY		04/05/2022	15,000,000.00	14,928,750.00	14,961,250.00	1.240	1.247	1.264	75	09/14/2022
53948BLW7	3889	Lloyds Bank Corp		03/31/2022	10,000,000.00	9,876,300.00	9,930,333.34	1.650	1.692	1.715	152	11/30/2022
<b>Subtotal and Average</b>			<b>49,872,837.50</b>		<b>50,000,000.00</b>	<b>49,747,300.00</b>	<b>49,888,666.67</b>	<b>0.796</b>	<b>0.807</b>	<b>0.807</b>	<b>73</b>	
<b>Managed Pool Account - LAIF</b>												
SYS61	61	Local Agency Investment Fund			0.00	0.00	0.00	0.990	0.976	0.990	1	
<b>Subtotal and Average</b>			<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0</b>	
<b>Managed Pool Account - CAMP</b>												
CAMP	62	California Asset Management Pr			200,000,000.00	200,000,000.00	200,000,000.00	1.380	1.361	1.380	1	
<b>Subtotal and Average</b>			<b>99,333,333.33</b>		<b>200,000,000.00</b>	<b>200,000,000.00</b>	<b>200,000,000.00</b>	<b>1.361</b>	<b>1.380</b>	<b>1.380</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>												
31422BQP8	3656	Farmer Mac		12/16/2019	25,000,000.00	24,687,750.00	25,000,000.00	1.640	1.618	1.640	350	06/16/2023
3135G05R0	3698	Federal National Mortgage Asso		08/12/2020	10,000,000.00	9,733,400.00	9,996,298.70	0.300	0.329	0.334	405	08/10/2023
3135G05T6	3803	Federal National Mortgage Asso		06/25/2021	15,000,000.00	14,574,900.00	15,010,425.10	0.350	0.284	0.288	413	08/18/2023
3135G0U43	3646	Federal National Mortgage Asso		10/30/2019	15,000,000.00	14,998,650.00	15,207,604.53	2.875	1.653	1.676	438	09/12/2023
3130AK6F8	3724	Federal Home Loan Bank		09/21/2020	10,000,000.00	9,711,700.00	9,996,944.44	0.230	0.252	0.255	447	09/21/2023
3130AK6F8	3725	Federal Home Loan Bank		09/21/2020	5,000,000.00	4,855,850.00	4,998,981.48	0.230	0.243	0.247	447	09/21/2023
3130AKAF3	3730	Federal Home Loan Bank		10/05/2020	14,000,000.00	13,574,820.00	13,992,055.00	0.220	0.262	0.265	461	10/05/2023



**Stanislaus County Pool 2021/22**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2022**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupon Securities</b>												
3133ENUP3	3899	Federal Farm Credit Bank		04/18/2022	15,000,000.00	14,841,900.00	15,000,000.00	2.200	2.170	2.200	474	10/18/2023
3133EK4X1	3650	Federal Farm Credit Bank		11/01/2019	10,000,000.00	9,831,500.00	9,992,433.33	1.600	1.636	1.659	488	11/01/2023
3130APXH3	3895	Federal Home Loan Bank		04/05/2022	10,000,000.00	9,699,400.00	9,797,600.00	0.800	2.244	2.275	514	11/27/2023
3133ENGW4	3869	Federal Farm Credit Bank		12/13/2021	10,000,000.00	9,652,100.00	9,992,387.50	0.660	0.703	0.713	530	12/13/2023
3133EMN81	3813	Federal Farm Credit Bank		06/30/2021	15,000,000.00	14,367,150.00	14,993,267.52	0.310	0.336	0.340	546	12/29/2023
3134GWSK3	3711	Federal Home Loan Mortgage Co		09/03/2020	15,000,000.00	14,380,950.00	15,000,000.00	0.400	0.395	0.400	605	02/26/2024
3133EL6H2	3716	Federal Farm Credit Bank		09/08/2020	10,000,000.00	9,550,100.00	9,997,599.52	0.360	0.369	0.374	612	03/04/2024
3130AQB93	3867	Federal Home Loan Bank		12/17/2021	15,000,000.00	14,503,800.00	15,000,000.00	0.880	0.868	0.880	656	04/17/2024
3135GA3C3	3740	Federal National Mortgage Asso		11/17/2020	15,000,000.00	14,286,900.00	15,000,000.00	0.350	0.345	0.350	686	05/17/2024
3135GA4S7	3743	Federal National Mortgage Asso		11/20/2020	5,000,000.00	4,764,500.00	5,000,000.00	0.375	0.370	0.375	686	05/17/2024
3130AKFU5	3744	Federal Home Loan Bank		11/24/2020	17,800,000.00	16,998,288.00	17,795,079.15	0.350	0.360	0.365	693	05/24/2024
3134GXDK7	3746	Federal Home Loan Mortgage Co		11/30/2020	14,400,000.00	13,694,832.00	14,400,000.00	0.325	0.321	0.325	699	05/30/2024
3134GWJ64	3717	Federal Home Loan Mortgage Co		09/10/2020	10,000,000.00	9,486,700.00	10,000,000.00	0.400	0.395	0.400	710	06/10/2024
3134GXDL5	3748	Federal Home Loan Mortgage Co		12/10/2020	3,000,000.00	2,852,280.00	3,000,000.00	0.350	0.345	0.350	710	06/10/2024
3134GXDL5	3749	Federal Home Loan Mortgage Co		12/10/2020	6,200,000.00	5,894,712.00	6,200,000.00	0.350	0.345	0.350	710	06/10/2024
3134GXDL5	3750	Federal Home Loan Mortgage Co		12/10/2020	15,800,000.00	15,022,008.00	15,800,000.00	0.350	0.345	0.350	710	06/10/2024
3130A1XJ2	3645	Federal Home Loan Bank		10/25/2019	20,000,000.00	19,928,200.00	20,468,301.62	2.875	1.603	1.625	714	06/14/2024
3133EMAB8	3722	Federal Farm Credit Bank		09/17/2020	10,000,000.00	9,507,000.00	9,997,385.19	0.390	0.398	0.403	717	06/17/2024
31422BE89	3738	Farmer Mac		11/06/2020	10,000,000.00	9,506,000.00	10,020,316.29	0.420	0.312	0.316	719	06/19/2024
3130AMU34	3800	Federal Home Loan Bank		06/24/2021	20,000,000.00	19,050,200.00	19,957,748.15	0.330	0.431	0.437	724	06/24/2024
3134GV3A4	3714	Federal Home Loan Mortgage Co		09/04/2020	8,000,000.00	7,619,200.00	8,007,613.07	0.500	0.446	0.452	731	07/01/2024
3130ALRX4	3872	Federal Home Loan Bank		12/20/2021	11,500,000.00	10,907,405.00	11,417,478.77	0.500	0.848	0.860	738	07/08/2024
3136G4Z71	3710	Federal National Mortgage Asso		09/02/2020	10,000,000.00	9,479,100.00	10,000,000.00	0.450	0.444	0.450	787	08/26/2024
3130AJZH5	3712	Federal Home Loan Bank		09/04/2020	3,000,000.00	2,846,460.00	2,999,593.86	0.450	0.450	0.456	788	08/27/2024
3133EL6V1	3719	Federal Farm Credit Bank		09/14/2020	10,000,000.00	9,431,200.00	9,995,604.46	0.430	0.444	0.450	802	09/10/2024
3130A2UW4	3644	Federal Home Loan Bank		10/25/2019	20,000,000.00	19,917,200.00	20,502,681.23	2.875	1.657	1.680	805	09/13/2024
3130AQD59	3879	Federal Home Loan Bank		12/30/2021	5,000,000.00	4,801,400.00	5,001,225.76	1.000	0.975	0.989	822	09/30/2024
3134GWUX2	3728	Federal Home Loan Mortgage Co		09/30/2020	22,550,000.00	21,190,009.50	22,540,498.46	0.375	0.389	0.394	822	09/30/2024
3133EMCN0	3734	Federal Farm Credit Bank		10/15/2020	5,000,000.00	4,701,800.00	4,995,708.33	0.400	0.432	0.438	837	10/15/2024
3130ARMG3	3892	Federal Home Loan Bank		04/25/2022	15,000,000.00	14,893,950.00	15,000,000.00	2.800	2.762	2.800	847	10/25/2024
3130AKEV4	3877	Federal Home Loan Bank		12/29/2021	5,000,000.00	4,701,750.00	4,930,832.88	0.400	0.987	1.001	857	11/04/2024
3133ENGN4	3866	Federal Farm Credit Bank		12/09/2021	15,000,000.00	14,235,300.00	15,000,000.00	0.970	0.957	0.970	892	12/09/2024
3130AMZP0	3816	Federal Home Loan Bank		06/30/2021	15,000,000.00	14,082,300.00	14,996,187.97	0.650	0.651	0.660	973	02/28/2025
3133EMJP8	3754	Federal Farm Credit Bank		12/10/2020	20,000,000.00	18,611,400.00	20,000,000.00	0.490	0.483	0.490	983	03/10/2025
3130AMX80	3818	Federal Home Loan Bank		06/30/2021	4,950,000.00	4,643,892.00	4,950,000.00	0.670	0.661	0.670	1,001	03/28/2025
3130AN4X5	3820	Federal Home Loan Bank		07/01/2021	15,000,000.00	14,070,450.00	15,000,000.00	0.670	0.661	0.670	1,005	04/01/2025

**Stanislaus County Pool 2021/22**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2022**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupon Securities</b>												
31422BYS3	3804	Farmer Mac.		06/25/2021	17,753,000.00	16,579,526.70	17,738,248.07	0.650	0.671	0.680	1,032	04/28/2025
3130ARSC6	3909	Federal Home Loan Bank		04/29/2022	5,000,000.00	4,963,500.00	5,000,000.00	2.900	2.861	2.900	1,063	05/29/2025
3133EMH47	3799	Federal Farm Credit Bank		06/24/2021	20,000,000.00	18,594,400.00	19,970,251.40	0.600	0.642	0.651	1,081	06/16/2025
3135GAAZ4	3757	Federal National Mortgage Asso		12/24/2020	8,000,000.00	7,417,040.00	8,000,000.00	0.500	0.493	0.500	1,089	06/24/2025
3130AQFX6	3881	Federal Home Loan Bank		12/30/2021	10,500,000.00	10,007,760.00	10,500,000.00	1.180	1.164	1.180	1,095	06/30/2025
3136G4A86	3688	Federal National Mortgage Asso		07/21/2020	25,000,000.00	23,138,500.00	24,946,527.78	0.500	0.563	0.571	1,116	07/21/2025
3133ELZ80	3693	Federal Farm Credit Bank		07/29/2020	25,000,000.00	23,121,500.00	25,000,000.00	0.580	0.572	0.580	1,124	07/29/2025
3133EL2S2	3694	Federal Farm Credit Bank		08/04/2020	10,000,000.00	9,273,400.00	10,000,000.00	0.670	0.661	0.670	1,130	08/04/2025
3134GWJW7	3695	Federal Home Loan Mortgage Co		08/04/2020	15,000,000.00	13,905,450.00	15,000,000.00	0.550	0.542	0.550	1,130	08/04/2025
3136G4Q48	3702	Federal National Mortgage Asso		08/19/2020	10,000,000.00	9,267,900.00	9,993,733.33	0.600	0.612	0.620	1,145	08/19/2025
3136G4M34	3703	Federal National Mortgage Asso		08/19/2020	5,000,000.00	4,611,200.00	5,000,000.00	0.450	0.444	0.450	1,145	08/19/2025
3133EL4W1	3715	Federal Farm Credit Bank		09/04/2020	10,000,000.00	9,234,300.00	9,996,834.17	0.610	0.612	0.620	1,151	08/25/2025
3135G05X7	3708	Federal National Mortgage Asso		08/27/2020	10,000,000.00	9,184,200.00	9,970,483.20	0.375	0.463	0.470	1,151	08/25/2025
3136G4X57	3713	Federal National Mortgage Asso		09/04/2020	7,441,000.00	6,896,542.03	7,441,000.00	0.625	0.616	0.625	1,151	08/25/2025
3130AJZ36	3707	Federal Home Loan Bank		08/27/2020	10,000,000.00	9,212,100.00	9,993,688.89	0.600	0.612	0.620	1,153	08/27/2025
3130ANW48	3831	Federal Home Loan Bank		08/30/2021	15,000,000.00	13,946,700.00	15,000,000.00	0.730	0.720	0.730	1,153	08/27/2025
3136G4N33	3704	Federal National Mortgage Asso		08/27/2020	5,000,000.00	4,615,900.00	5,000,000.00	0.500	0.528	0.536	1,153	08/27/2025
3136G4S87	3705	Federal National Mortgage Asso		08/27/2020	5,000,000.00	4,638,750.00	5,000,000.00	0.650	0.641	0.650	1,153	08/27/2025
3130AK4T0	3718	Federal Home Loan Bank		09/11/2020	5,000,000.00	4,627,850.00	4,996,805.56	0.580	0.592	0.600	1,168	09/11/2025
3134GWL38	3721	Federal Home Loan Mortgage Co		09/15/2020	15,000,000.00	13,757,850.00	15,000,000.00	0.540	0.533	0.540	1,172	09/15/2025
3133EMBJ0	3729	Federal Farm Credit Bank		10/01/2020	5,000,000.00	4,542,500.00	4,996,751.95	0.530	0.543	0.550	1,186	09/29/2025
3134GWY91	3733	Federal Home Loan Mortgage Co		10/15/2020	5,000,000.00	4,592,450.00	5,000,000.00	0.570	0.562	0.570	1,202	10/15/2025
3133EMEC2	3739	Federal Farm Credit Bank		11/09/2020	10,000,000.00	9,182,200.00	9,988,310.43	0.530	0.558	0.566	1,209	10/22/2025
31422B2J8	3735	Farmer Mac		10/29/2020	5,000,000.00	4,595,350.00	4,999,600.67	0.500	0.496	0.502	1,216	10/29/2025
3135GAZ23	3741	Federal National Mortgage Asso		11/17/2020	5,000,000.00	4,598,400.00	4,995,777.78	0.560	0.577	0.585	1,235	11/17/2025
3130AP3H6	3837	Federal Home Loan Bank		09/28/2021	11,150,000.00	10,266,920.00	11,113,517.20	0.750	0.836	0.848	1,246	11/28/2025
3134GXYG3	3915	Federal Home Loan Mortgage Co		06/30/2022	6,150,000.00	6,129,336.00	6,125,419.52	3.500	3.573	3.623	1,278	12/30/2025
3130ALYU2	3787	Federal Home Loan Bank		04/28/2021	10,000,000.00	9,345,700.00	10,000,000.00	1.000	0.986	1.000	1,307	01/28/2026
3130ALCV4	3783	Federal Home Loan Bank		04/13/2021	10,000,000.00	9,122,500.00	9,932,512.85	0.750	0.927	0.940	1,334	02/24/2026
3130ANW22	3832	Federal Home Loan Bank		08/30/2021	15,000,000.00	13,792,950.00	15,000,000.00	0.850	0.838	0.850	1,335	02/25/2026
3130AKZP4	3773	Federal Home Loan Bank		02/26/2021	15,000,000.00	13,798,800.00	15,000,000.00	0.600	0.592	0.600	1,336	02/26/2026
3130APE35	3840	Federal Home Loan Bank		09/30/2021	15,000,000.00	13,953,600.00	15,000,000.00	1.000	0.986	1.000	1,368	03/30/2026
3130AM2J0	3789	Federal Home Loan Bank		04/28/2021	10,000,000.00	9,315,700.00	10,000,000.00	1.050	1.036	1.050	1,397	04/28/2026
3130ALZQ0	3790	Federal Home Loan Bank		04/28/2021	10,000,000.00	9,378,100.00	10,000,000.00	0.500	1.007	1.021	1,397	04/28/2026
3130AM6U1	3791	Federal Home Loan Bank		04/28/2021	10,000,000.00	9,343,800.00	10,000,000.00	0.625	0.982	0.996	1,397	04/28/2026
3130AMKN1	3795	Federal Home Loan Bank		05/27/2021	18,600,000.00	17,508,738.00	18,600,000.00	0.500	0.493	0.500	1,426	05/27/2026

**Stanislaus County Pool 2021/22**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2022**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupon Securities</b>												
3130AN4T4	3829	Federal Home Loan Bank		08/27/2021	10,000,000.00	9,176,800.00	10,024,713.04	0.875	0.800	0.811	1,442	06/12/2026
3130ANG95	3823	Federal Home Loan Bank		08/24/2021	8,540,000.00	7,957,572.00	8,540,000.00	0.500	1.007	1.021	1,515	08/24/2026
3130ANVS6	3830	Federal Home Loan Bank		08/30/2021	25,000,000.00	22,816,750.00	25,000,000.00	1.000	0.986	1.000	1,517	08/26/2026
3130ANW97	3833	Federal Home Loan Bank		08/30/2021	15,000,000.00	13,686,300.00	15,000,000.00	0.500	0.951	0.964	1,519	08/28/2026
3133EM3Y6	3834	Federal Farm Credit Bank		09/01/2021	15,000,000.00	13,601,400.00	15,000,000.00	0.930	0.917	0.930	1,523	09/01/2026
3130ANWH9	3838	Federal Home Loan Bank		09/28/2021	3,500,000.00	3,236,905.00	3,497,123.65	1.080	1.085	1.100	1,537	09/15/2026
3130APCH6	3839	Federal Home Loan Bank		09/29/2021	15,000,000.00	13,713,900.00	15,000,000.00	1.125	1.110	1.125	1,551	09/29/2026
3133ENDC1	3848	Federal Farm Credit Bank		11/03/2021	10,000,000.00	9,283,900.00	10,000,000.00	1.330	1.312	1.330	1,586	11/03/2026
3133ENDC1	3857	Federal Farm Credit Bank		11/03/2021	10,000,000.00	9,283,900.00	10,000,000.00	1.330	1.312	1.330	1,586	11/03/2026
3130APV51	3861	Federal Home Loan Bank		11/30/2021	6,965,000.00	6,579,417.60	6,965,000.00	1.000	1.941	1.968	1,607	11/24/2026
3130AQ3T8	3860	Federal Home Loan Bank		12/23/2021	5,000,000.00	4,751,400.00	5,000,000.00	1.000	1.618	1.641	1,636	12/23/2026
<b>Subtotal and Average</b>			<b>1,039,369,346.52</b>		<b>1,044,799,000.00</b>	<b>986,638,063.83</b>	<b>1,045,278,151.80</b>	<b>0.830</b>	<b>0.841</b>	<b>0.841</b>	<b>981</b>	
<b>Treasury Coupon Securities</b>												
912828ZY9	3884	U S Treasury Securities		12/30/2021	10,000,000.00	9,712,100.00	9,951,792.57	0.125	0.583	0.591	379	07/15/2023
91282CCN9	3862	U S Treasury Securities		12/07/2021	15,000,000.00	14,550,000.00	14,940,158.49	0.125	0.488	0.495	395	07/31/2023
912828T26	3801	U S Treasury Securities		06/24/2021	15,000,000.00	14,708,850.00	15,205,230.98	1.375	0.271	0.275	456	09/30/2023
912828B66	3911	U S Treasury Securities		04/18/2022	5,000,000.00	4,982,400.00	5,029,177.58	2.750	2.348	2.380	594	02/15/2024
91282CBV2	3814	U S Treasury Securities		06/30/2021	15,000,000.00	14,319,150.00	14,993,325.35	0.375	0.395	0.400	654	04/15/2024
91282CCG4	3802	U S Treasury Securities		06/24/2021	15,000,000.00	14,224,200.00	14,941,802.45	0.250	0.444	0.450	715	06/15/2024
91282CCL3	3841	U S Treasury Securities		10/01/2021	15,000,000.00	14,227,800.00	14,973,842.90	0.375	0.455	0.461	745	07/15/2024
9128282N9	3883	U S Treasury Securities		12/30/2021	10,000,000.00	9,825,000.00	10,259,162.73	2.125	0.854	0.866	761	07/31/2024
91282CDS7	3912	U S Treasury Securities		04/18/2022	5,000,000.00	4,768,350.00	4,831,015.73	1.125	2.591	2.627	929	01/15/2025
912828Z52	3811	U S Treasury Securities		06/30/2021	15,000,000.00	14,386,500.00	15,302,408.11	1.375	0.578	0.586	945	01/31/2025
912828ZC7	3812	U S Treasury Securities		06/30/2021	15,000,000.00	14,277,000.00	15,206,502.49	1.125	0.594	0.602	973	02/28/2025
912828ZT0	3828	U S Treasury Securities		08/27/2021	15,000,000.00	13,841,550.00	14,839,562.80	0.250	0.613	0.622	1,065	05/31/2025
91282CBC4	3817	U S Treasury Securities		06/30/2021	15,000,000.00	13,670,550.00	14,781,325.99	0.375	0.789	0.800	1,279	12/31/2025
91282CBC4	3827	U S Treasury Securities		08/27/2021	15,000,000.00	13,670,550.00	14,813,472.87	0.375	0.727	0.737	1,279	12/31/2025
<b>Subtotal and Average</b>			<b>180,073,155.24</b>		<b>180,000,000.00</b>	<b>171,164,000.00</b>	<b>180,068,781.04</b>	<b>0.661</b>	<b>0.670</b>	<b>0.670</b>	<b>813</b>	
<b>Medium Term Notes</b>												
89236THD0	3765	Toyota Motor Credit Corp		01/13/2021	14,750,000.00	14,738,642.50	14,751,884.45	0.450	0.227	0.230	21	07/22/2022
05253JAU5	3638	Aust & NZ Banking Group NY		08/21/2019	15,000,000.00	14,995,350.00	15,034,868.39	2.625	1.920	1.947	131	11/09/2022
06051GEU9	3897	Bank of America Corp		04/13/2022	12,250,000.00	12,269,600.00	12,455,527.27	3.300	1.677	1.700	194	01/11/2023
46625HJH4	3896	JP Morgan Chase Bank		04/13/2022	12,000,000.00	12,016,800.00	12,177,126.81	3.200	1.776	1.800	208	01/25/2023
606822AT1	3906	MUFG Union Bank NA		04/18/2022	4,500,000.00	4,506,210.00	4,540,444.25	3.455	2.063	2.091	244	03/02/2023

**Stanislaus County Pool 2021/22**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2022**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Medium Term Notes</b>												
60687YAP4	3907	Mizuho Financial Group		04/18/2022	5,000,000.00	5,015,100.00	5,071,226.97	3.549	2.022	2.050	247	03/05/2023
48133DE71	3910	JP Morgan Chase Bank		04/29/2022	5,000,000.00	4,949,400.00	5,000,000.00	2.500	2.466	2.500	304	05/01/2023
594918AT1	3905	Microsoft Corporation		04/18/2022	1,989,000.00	1,982,515.86	1,996,630.72	2.375	1.881	1.907	304	05/01/2023
037833AK6	3904	Apple Inc		04/18/2022	2,000,000.00	1,988,440.00	2,008,987.52	2.400	1.831	1.856	306	05/03/2023
22550L2D2	3706	Credit Suisse First Bost NY		08/31/2020	10,000,000.00	9,785,900.00	10,046,104.56	1.000	0.444	0.450	308	05/05/2023
22550L2D2	3723	Credit Suisse First Bost NY		09/18/2020	5,000,000.00	4,892,950.00	5,020,945.82	1.000	0.493	0.500	308	05/05/2023
857477AL7	3763	State Street Corp		01/13/2021	2,734,000.00	2,726,754.90	2,800,475.81	3.100	0.296	0.300	318	05/15/2023
023135BP0	3903	Amazon.com Inc		04/18/2022	1,000,000.00	975,350.00	986,924.94	0.400	1.814	1.839	337	06/03/2023
06053FAA7	3777	Bank of Agriculture & Commerce		04/01/2021	5,257,000.00	5,307,414.63	5,456,264.41	4.100	0.504	0.511	388	07/24/2023
06406RAJ6	3806	Bank of New York Mellon Corp		06/28/2021	10,000,000.00	10,025,300.00	10,349,986.89	3.450	0.285	0.289	406	08/11/2023
89236THF5	3699	Toyota Motor Credit Corp		08/14/2020	5,000,000.00	4,848,350.00	5,001,054.14	0.500	0.474	0.481	409	08/14/2023
14913R2F3	3720	Caterpillar Financial Service		09/14/2020	5,000,000.00	4,848,550.00	5,001,904.40	0.450	0.412	0.418	440	09/14/2023
14912L5X5	3776	Caterpillar Financial Service		04/01/2021	5,000,000.00	5,036,350.00	5,233,211.49	3.750	0.386	0.392	511	11/24/2023
24422EUR8	3709	John Deere		08/28/2020	11,075,000.00	11,111,215.25	11,554,486.01	3.450	0.571	0.579	558	01/10/2024
24422EUR8	3844	John Deere		10/21/2021	3,500,000.00	3,511,445.00	3,650,208.87	3.450	0.604	0.612	558	01/10/2024
91159HHV5	3764	US Bank NA		01/13/2021	2,500,000.00	2,494,300.00	2,609,124.66	3.375	0.538	0.546	584	02/05/2024
24422EUX5	3793	John Deere		04/22/2021	7,000,000.00	6,917,960.00	7,255,421.68	2.600	0.411	0.417	615	03/07/2024
89236TJX4	3891	Toyota Motor Credit Corp		04/04/2022	9,000,000.00	8,861,580.00	9,016,499.24	2.500	2.407	2.440	630	03/22/2024
17330FBD2	3908	Citigroup Global Markets		04/22/2022	5,000,000.00	4,893,900.00	5,000,000.00	3.100	3.058	3.100	661	04/22/2024
48133DE55	3913	JP Morgan Chase Bank		04/29/2022	5,000,000.00	4,817,500.00	5,000,000.00	3.125	3.082	3.125	668	04/29/2024
46625HJX9	3774	JP Morgan Chase Bank		04/01/2021	2,047,000.00	2,050,254.73	2,159,179.98	3.625	0.645	0.654	682	05/13/2024
04636NAC7	3875	Astrazeneca Finance LLC		12/23/2021	10,000,000.00	9,476,100.00	9,937,973.71	0.700	1.016	1.030	697	05/28/2024
91159HHX1	3727	US Bank NA		09/25/2020	5,575,000.00	5,437,910.75	5,786,346.44	2.400	0.548	0.556	760	07/30/2024
69371RQ25	3890	PACCAR Financial Corp		04/01/2022	6,870,000.00	6,679,082.70	6,824,033.17	2.150	2.575	2.611	776	08/15/2024
30231GBC5	3792	Exxon Mobil Corporation		04/22/2021	10,000,000.00	9,743,000.00	10,293,442.21	2.019	0.613	0.622	777	08/16/2024
06406RAL1	3775	Bank of New York Mellon Corp		04/01/2021	12,000,000.00	11,611,800.00	12,407,475.29	2.100	0.606	0.614	846	10/24/2024
14913Q3B3	3805	Caterpillar Financial Service		06/28/2021	20,000,000.00	19,381,400.00	20,677,880.00	2.150	0.681	0.690	861	11/08/2024
06048WQ52	3880	Bank of Agriculture & Commerce		12/30/2021	4,305,000.00	4,020,310.35	4,290,765.46	1.100	1.224	1.241	877	11/24/2024
21688AAS1	3894	Rabobank		04/06/2022	3,000,000.00	2,822,100.00	2,913,030.43	1.375	2.978	3.019	924	01/10/2025
24422EWB1	3900	John Deere		04/14/2022	10,000,000.00	9,655,700.00	10,021,840.28	2.125	2.096	2.125	980	03/07/2025
91159HHZ6	3767	US Bank NA		01/13/2021	3,753,000.00	3,517,011.36	3,833,561.78	1.450	0.671	0.680	1,046	05/12/2025
17330FVU2	3914	Citigroup Global Markets		05/27/2022	10,000,000.00	10,005,200.00	10,000,000.00	4.050	3.995	4.050	1,059	05/25/2025
69353REQ7	3766	PNC Bank NA		01/13/2021	6,450,000.00	6,349,122.00	6,900,140.38	3.250	0.777	0.788	1,066	06/01/2025
17330PU98	3916	Citigroup Global Markets		06/30/2022	5,000,000.00	4,994,850.00	5,000,000.00	4.750	4.685	4.750	1,095	06/30/2025
02079KAH0	3700	Alphabet Inc (Google)		08/17/2020	5,000,000.00	4,595,450.00	4,996,905.56	0.450	0.464	0.470	1,141	08/15/2025
478160CN2	3794	Johnson & Johnson		04/26/2021	10,000,000.00	9,223,000.00	9,947,698.40	0.550	0.796	0.807	1,158	09/01/2025

**Stanislaus County Pool 2021/22**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2022**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Medium Term Notes</b>												
478160CN2	3836	Johnson & Johnson		09/08/2021	4,755,000.00	4,385,536.50	4,733,513.90	0.550	0.685	0.695	1,158	09/01/2025
48128GX54	3736	JP Morgan Chase Bank		10/30/2020	5,000,000.00	4,366,450.00	5,000,000.00	0.750	0.739	0.749	1,217	10/30/2025
06048WK41	3745	Bank of America		11/25/2020	25,000,000.00	22,133,750.00	25,000,000.00	0.650	0.641	0.650	1,243	11/25/2025
89236THW8	3770	Toyota Motor Credit Corp		01/13/2021	10,000,000.00	9,028,900.00	9,998,277.33	0.800	0.794	0.805	1,288	01/09/2026
89236THW8	3784	Toyota Motor Credit Corp		04/14/2021	15,000,000.00	13,543,350.00	14,866,346.85	0.800	1.045	1.060	1,288	01/09/2026
24422EVK2	3771	John Deere		01/15/2021	5,000,000.00	4,514,700.00	4,991,676.53	0.700	0.738	0.748	1,294	01/15/2026
24422EVK2	3858	John Deere		11/24/2021	15,000,000.00	13,544,100.00	14,623,952.11	0.700	1.412	1.432	1,294	01/15/2026
037833EB2	3772	Apple Inc		02/08/2021	15,000,000.00	13,656,600.00	14,997,849.14	0.700	0.694	0.704	1,318	02/08/2026
037833EB2	3786	Apple Inc		04/14/2021	7,899,000.00	7,191,565.56	7,815,811.05	0.700	0.986	1.000	1,318	02/08/2026
74460WAA5	3871	Public Storage		12/21/2021	10,000,000.00	8,937,900.00	9,829,031.11	0.875	1.343	1.362	1,325	02/15/2026
808513BF1	3785	Charles Schwab Corp		04/14/2021	19,283,000.00	17,298,779.30	19,165,290.76	0.900	1.003	1.017	1,349	03/11/2026
89236TJK2	3842	Toyota Motor Credit Corp		10/04/2021	25,000,000.00	22,539,500.00	24,916,348.08	1.125	1.195	1.212	1,448	06/18/2026
63254AAS7	3843	National Australia Bank/NY		10/21/2021	15,000,000.00	14,135,100.00	15,674,190.39	2.500	1.327	1.345	1,472	07/12/2026
22550L2G5	3878	Credit Suisse First Bost NY		12/30/2021	10,000,000.00	8,741,200.00	9,802,695.23	1.250	1.729	1.753	1,498	08/07/2026
06048WN22	3824	Bank of America Corp		08/26/2021	15,000,000.00	13,314,900.00	15,000,000.00	1.250	1.233	1.250	1,517	08/26/2026
48128G4X5	3825	JP Morgan Chase Bank		08/30/2021	15,000,000.00	13,324,200.00	15,000,000.00	1.200	1.184	1.200	1,519	08/28/2026
14913R2U0	3885	Caterpillar Financial Service		01/10/2022	5,000,000.00	4,577,500.00	5,004,976.92	1.700	1.654	1.677	1,652	01/08/2027
14913R2U0	3886	Caterpillar Financial Service		01/10/2022	5,000,000.00	4,577,500.00	5,004,298.25	1.700	1.657	1.680	1,652	01/08/2027
06048WS84	3887	Bank of America Corp		03/02/2022	10,000,000.00	7,904,000.00	10,000,000.00	2.750	2.712	2.750	1,705	03/02/2027
89236TJZ9	3917	Toyota Motor Credit Corp		06/30/2022	5,000,000.00	4,807,200.00	4,786,752.22	3.050	3.995	4.050	1,725	03/22/2027
<b>Subtotal and Average</b>			<b>527,002,629.65</b>		<b>525,492,000.00</b>	<b>495,601,901.39</b>	<b>529,220,592.26</b>		<b>1.258</b>	<b>1.276</b>	<b>952</b>	
<b>Municipal Bonds</b>												
13067WRA2	3697	CA St. Dept. of Water Resource		08/06/2020	1,250,000.00	1,202,825.00	1,250,000.00	0.414	0.408	0.414	518	12/01/2023
13067WRB0	3696	CA St. Dept. of Water Resource		08/06/2020	1,750,000.00	1,635,812.50	1,750,000.00	0.560	0.552	0.560	884	12/01/2024
<b>Subtotal and Average</b>			<b>3,000,000.00</b>		<b>3,000,000.00</b>	<b>2,838,637.50</b>	<b>3,000,000.00</b>		<b>0.492</b>	<b>0.499</b>	<b>732</b>	
<b>Money Market Accounts</b>												
SYS3505	3505	Dreyfus Treasury/Agency Fund			0.00	0.00	0.00	0.010	0.010	0.010	1	
<b>Subtotal and Average</b>			<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.000</b>	<b>0.000</b>	<b>0</b>	

**Stanislaus County Pool 2021/22**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2022**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity
Total and Average			2,068,651,302.25		2,173,291,000.00	2,074,656,512.72	2,177,456,191.77		0.962	0.975	784

**Stanislaus County Pool 2021/22**  
**Portfolio Management**  
**Activity By Type**  
**June 1, 2022 through June 30, 2022**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>Negotiable CDs</b>							
<b>Subtotal</b>							<b>170,000,000.00</b>
<b>Commercial Paper Disc. -Amortizing</b>							
<b>Subtotal</b>							<b>49,888,666.67</b>
<b>Managed Pool Account - LAIF (Monthly Summary)</b>							
<b>Subtotal</b>							<b>0.00</b>
<b>Managed Pool Account - CAMP (Monthly Summary)</b>							
CAMP	62	California Asset Management Pr	1.380		350,000,000.00	185,000,000.00	
<b>Subtotal</b>							<b>200,000,000.00</b>
<b>Federal Agency Coupon Securities</b>							
3134GXYG3	3915	Federal Home Loan Mortgage Co	3.500	06/30/2022	6,125,400.00	0.00	
<b>Subtotal</b>							<b>1,045,278,151.80</b>
<b>Treasury Coupon Securities</b>							
<b>Subtotal</b>							<b>180,068,781.04</b>
<b>Medium Term Notes</b>							
06051GFB0	3898	Bank of America Corp	4.125	06/06/2022	0.00	20,423,130.52	
17330PU98	3916	Citigroup Global Markets	4.750	06/30/2022	5,000,000.00	0.00	
49327M2U7	3636	Key Bank NA	3.375	06/06/2022	0.00	22,373,288.29	
89236TJZ9	3917	Toyota Motor Credit Corp	3.050	06/30/2022	4,786,626.85	0.00	
<b>Subtotal</b>							<b>529,220,592.26</b>
<b>Municipal Bonds</b>							
<b>Subtotal</b>							<b>3,000,000.00</b>
<b>Money Market Accounts (Monthly Summary)</b>							
<b>Subtotal</b>							<b>0.00</b>
<b>Total</b>					<b>365,912,026.85</b>	<b>227,796,418.81</b>	<b>2,177,456,191.77</b>

**Stanislaus County Pool 2021/22  
Portfolio Management  
Activity Summary  
June 2021 through June 2022**

Month End	Year	Number of Securities	Total Invested	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
June	2021	158	1,840,578,405.71	1.019	1.033	0.300	15	3	1,216	870
July	2021	156	1,626,545,486.92	0.919	0.932	0.050	1	16	1,253	915
August	2021	151	1,751,637,514.33	0.858	0.870	0.221	11	5	1,286	969
September	2021	152	1,809,895,764.61	0.824	0.835	0.206	6	4	1,281	968
October	2021	152	1,768,874,056.38	0.858	0.870	0.203	4	4	1,331	1,001
November	2021	153	1,814,092,493.66	0.857	0.869	0.203	5	1	1,334	989
December	2021	174	2,126,424,045.85	0.820	0.831	0.230	22	0	1,224	904
January	2022	176	2,014,599,693.41	0.834	0.846	0.230	2	3	1,286	933
February	2022	173	1,958,595,119.69	0.818	0.830	0.310	0	3	1,302	931
March	2022	173	2,039,968,322.59	0.812	0.824	0.420	3	5	1,244	870
April	2022	192	2,169,678,247.11	0.949	0.963	0.610	24	2	1,212	843
May	2022	191	2,039,602,127.57	0.930	0.943	0.900	1	8	1,249	865
June	2022	186	2,177,456,191.77	0.962	0.975	1.380	3	2	1,160	784
<b>Average</b>		<b>168</b>	<b>1,933,688,266.89</b>	<b>0.882%</b>	<b>0.894%</b>	<b>0.405</b>	<b>7</b>	<b>4</b>	<b>1,260</b>	<b>911</b>



**Stanislaus County Pool 2021/22  
Portfolio Management  
Distribution of Investments By Type  
June 2021 through June 2022**

Security Type	June 2021	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	Average by Period
<b>Certificates of Deposit - Bank</b>														
Negotiable CDs	7.1	5.6	5.7	4.1	2.8	2.8	6.1	6.5	6.6	6.9	7.8	8.3	7.8	6.0%
Commercial Paper Disc. -Amortizing	2.7	1.5	1.4			0.8	2.1	2.2	2.3	2.2	2.8	2.4	2.3	1.8%
<b>Bankers Acceptances -Amortizing</b>														
Managed Pool Account - LAIF	1.4		3.1	4.1	4.2	4.1	3.5	3.0	2.8	3.7	3.5			2.6%
Managed Pool Account - CAMP		2.2		2.8	1.4	0.6	4.0			3.4	0.7	1.7	9.2	2.0%
Federal Agency Coupon Securities	47.9	51.4	52.0	53.6	53.1	53.3	49.1	51.8	52.2	48.8	47.9	51.0	48.0	50.8%
<b>Federal Agency Disc. -Amortizing</b>														
Treasury Coupon Securities	13.4	8.4	9.4	7.5	8.5	8.3	8.7	9.2	8.7	8.4	8.3	8.8	8.3	8.9%
<b>Treasury Discounts -Amortizing</b>														
<b>Rolling Repurchase Agreements</b>														
<b>Repurchase Agreements - Term</b>														
Medium Term Notes	26.7	29.9	27.5	26.9	29.2	28.7	26.0	26.5	27.2	26.6	28.9	27.6	24.3	27.4%
<b>California Registered Warrants</b>														
Municipal Bonds	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.1	0.2	0.1	0.2%
Money Market Accounts	0.7	0.9	0.6	0.9	0.6	1.3	0.3	0.7						0.5%
<b>Municipal Anticipation Note</b>														
<b>Calif Local Agency Indebtedness</b>														

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX H**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

[THIS PAGE INTENTIONALLY LEFT BLANK]



# MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

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

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

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

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

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

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

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

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

ASSURED GUARANTY MUNICIPAL CORP.

By \_\_\_\_\_  
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.  
31 West 52nd Street, New York, N.Y. 10019  
(212) 974-0100





RIVERBANK

UNIFIED SCHOOL DISTRICT