NEW ISSUE – BOOK-ENTRY ONLY

Ratings:
S&P: "AA" (stable outlook) / "A" (underlying)
Moody's: "A2" (stable outlook) / "A1" (underlying)
See "MISCELLANEOUS – Ratings" herein.

In the opinion of Nixon Peabody LLP ("Bond Counsel"), under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the District described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Bond Counsel is further of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California (the "State") under present State law. See "TAX MATTERS" herein regarding certain other tax considerations.

$6,400,000
ROBLA SCHOOL DISTRICT
(Sacramento County, California)
General Obligation Bonds
Election of 2014, Series 2015A

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

The General Obligation Bonds, Election of 2014, Series 2015A (the "Bonds") of the Robla School District (the "District") were authorized by an election held within the District on November 4, 2014 (the "2014 Authorization"), as more fully described herein under the caption "INTRODUCTION" and are the first series of bonds issued under the 2014 Authorization. The Bonds are being issued to finance the construction and improvement of District facilities and to pay costs of issuance of the Bonds, as more fully described herein under the caption "PLAN OF FINANCE" and "THE BONDS – Estimated Sources and Uses." The Bonds are dated the date of their delivery and are issued on a parity with all other general obligation bonds of the District.

The Bonds will mature on the dates and in the amounts and bear interest at the rates shown on the inside cover hereof. Interest on the Bonds is payable commencing August 1, 2015, payable semiannually thereafter on February 1 and August 1 of each year. The Bonds are being issued in fully registered form and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds described in APPENDIX E – "BOOK-ENTRY ONLY SYSTEM" hereto. Payments of the principal of and interest on the Bonds will be made by the Director of Finance of the County of Sacramento, as initial paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement through DTC's Direct Participants (defined herein) to the beneficial owners of the Bonds. Upon receipt of payments of principal and interest, DTC is obligated in turn to remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds, as described herein.

The Bonds are subject to optional and mandatory sinking fund redemption as provided herein. See "THE BONDS – Redemption of the Bonds."

The scheduled payment of principal 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. See "BOND INSURANCE" herein.

ASSURED GUARANTY® MUNICIPAL

The Bonds are general obligations of the District. The Board of Supervisors of the County has the power and is obligated to levy a tax for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and interest and premium, if any, on each Bond as the same becomes due and payable. See "SECURITY FOR THE BONDS" herein.

MATURITY SCHEDULE
on inside cover.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds will be offered when, as and if issued by the District and received by Raymond James and Associates, Inc., the Underwriter, subject to the approval of legality by Nixon Peabody LLP, as Bond Counsel. Certain legal matters will also be passed upon for the District by Nixon Peabody LLP as Disclosure Counsel, and for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation. Caldwell Flores Winters, Inc., Emeryville, California is serving as Financial Advisor to the District in connection with the issuance of the Bonds. The Bonds in book-entry form will be available for delivery through the facilities of DTC on or about February 18, 2015.

RAYMOND JAMES®

Dated: February 5, 2015

MATURITY SCHEDULE

ROBLA SCHOOL DISTRICT
(Sacramento County)
General Obligation Bonds, Election of 2014,
Series 2015A

Base CUSIP†: 771027

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2020	$ 20,000	2.00%	1.30%	GV5
2021	25,000	3.00	1.49	GW3
2022	40,000	3.00	1.75	GX1
2023	50,000	3.00	1.96	GY9
2024	65,000	3.00	2.16	GZ6
2025	80,000	3.00	2.31*	HA0
2026	95,000	4.00	2.56*	HB8
2027	110,000	4.00	2.81*	HC6
2028	125,000	3.00	3.00	HD4
2029	145,000	3.00	3.15	HE2
2030	165,000	5.00	2.85*	HF9
2031	190,000	5.00	2.90*	HG7
2032	215,000	5.00	2.95*	HH5
2033	240,000	5.00	2.99*	HJ1
2034	270,000	5.00	3.03*	HK8
2035	300,000	5.00	3.07*	HL6

$1,525,000 3.375% Term Bonds due August 1, 2039 Yield 3.55% CUSIP† 771027 HM4

$2,740,000 3.50% Term Bonds due August 1, 2044 Yield 3.65% CUSIP† 771027 HN2

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. Neither the District nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

* Yield to Call at Par on February 1, 2025

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

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

The information set forth herein has been obtained from official sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. Although certain information set forth in this Official Statement has been provided by Sacramento County (the "County"), the County has not approved this Official Statement and is not responsible for the accuracy or completeness of the statements contained in this Official Statement except for the information set forth in APPENDIX H – "SACRAMENTO COUNTY POOLED SURPLUS INVESTMENTS" hereto.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility 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 the completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL BONDS TO CERTAIN DEALERS AND BANKS AT PRICES LOWER THAN THE INITIAL PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID INITIAL PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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

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, and 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 caption "BOND INSURANCE" and "APPENDIX I – Specimen Municipal Bond Insurance Policy."

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION (DEFINED HEREIN) BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the United States Securities Act of 1933, as amended (the "Securities Act"). Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

ROBLA SCHOOL DISTRICT
(Sacramento County, California)

DISTRICT ADMINISTRATION

Ruben Reyes, Superintendent
Michael Henkel, Chief Business Official

BOND AND DISCLOSURE COUNSEL

Nixon Peabody LLP
San Francisco, California

FINANCIAL ADVISOR

Caldwell Flores Winters, Inc.
Emeryville, California

PAYING AGENT

Director of Finance of Sacramento County
Sacramento, California

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$6,400,000
ROBLA SCHOOL DISTRICT
(Sacramento County, California)
General Obligation Bonds
Election of 2014, Series 2015A

INTRODUCTION

This Introduction is only a brief description of, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page through the appendices hereto, and the documents summarized or described herein. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. A full review should be made of the entire Official Statement.

General

The Robla School District (the "District") proposes to issue $6,400,000 aggregate principal amount of its General Obligation Bonds Election of 2014, Series 2015A (the "Bonds"), under and pursuant to a bond authorization (the "2014 Authorization") for the issuance and sale of $29,800,000 aggregate principal amount of general obligation bonds, which were approved by more than fifty-five percent (55%) of the voters of the District voting on the proposition at an election held on November 4, 2014 (the "Election"). The Bonds are the first series of bonds to be issued under the 2014 Authorization. The Bonds are being issued to finance the construction and improvement of District facilities and to pay all legal, financial and contingent costs in connection therewith, as more fully described herein under the captions "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" below. The Bonds are issued on parity with all other general obligation bonds issued by or on behalf of the District.

The District

The District was originally known as the Oak Grove School District and opened in 1896. The District's was established as an elementary school district, and its name was changed to Robla School District, in 1916. Located in Sacramento County, the District is situated approximately ten miles north of downtown Sacramento, and encompasses approximately ten square miles. The District provides elementary school facilities for grades preschool through six. The District currently maintains five elementary schools and one preschool. The District serves an estimated 2,230 children. The teacher to student ratio in kindergarten is 24:1, grades 1-3 is 24:1, and grades 4-6 is 27:1. On November 13, 2014, the District granted a three-year charter to its first charter school, Paseo Grande Charter School which is expected to be operational in fiscal year 2015-16. As of January 26, 2015, there are no fiscally independent charter schools within the District's boundaries. See APPENDIX C – "DISTRICT INFORMATION – STATE FUNDING OF EDUCATION – Charter School Funding" for more information on charter school funding.

Overall, from fiscal year 2009-10 through 2013-14, the District's average daily attendance ("ADA") increased by 218 and the District anticipates an increase of 1 ADA for the 2014-2015 fiscal year. The ADA and Base Revenue Limit per ADA for fiscal year 2009-10 through 2013-14, as well as projections for fiscal year 2014-15 are set forth in Table C-12 below.

The District is governed by a five member Board of Trustees (the "Board"), whose members are elected to four-year terms. The terms are staggered at two-year intervals to provide continuity of governance. Vacancies may be filled by provisional appointment or by special election, unless the vacancy occurs within four months of the end of the term of the vacated position. Members appointed by a majority of the Board serve until the next scheduled election, at which time the voters elect a person to serve the remaining years of the term.

The Superintendent of the District is appointed by and reports to the Board. All other District administrators, including the Chief Business Official, are appointed by and report to the Superintendent. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other District administrators. The names and backgrounds of the Superintendent and Chief Business Official are set forth below:

Ruben Reyes, Superintendent. Mr. Reyes has worked in various teaching and administrative capacities since joining the Robla School District in 1997. Prior to becoming the Superintendent of the School District in July 2010, Mr. Reyes had the opportunity to serve as a Program Improvement Coach, Principal of Main Avenue Elementary, English Learner Coordinator, and Reading Specialist. Before joining the Robla School District, Mr. Reyes served as the Principal of Westfield Village Elementary and Alyce Norman Elementary schools from 1992 to 1997. Mr. Reyes's educational achievements include a B.A. in Psychology and a Clear Multiple Subject Teaching Credential from the University of California, Davis, as well as a Clear Professional Administrative Services Credential from California State University, Sacramento.

Michael Henkel, Chief Business Official. Mr. Henkel is in his second year as Chief Business Official to the District. Prior to working in the District, he was the Audit Manager of the Sacramento area firm Goodell, Porter, Sanchez & Bright, LLP, Certified Public Accountants, specializing in the auditing of school districts and other local educational agencies. He is also the holder of Certified Fraud Examiner credentials (inactive) and received his Bachelor's Degree in Accounting from The Pennsylvania State University.

Additional information on the District is provided in Appendices C and D hereto. See APPENDIX C – "DISTRICT INFORMATION" and APPENDIX D – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2013-14" attached hereto.

Security and Sources of Payment for the Bonds

The Bonds are general obligation bonds approved by voters of the District. The Board of Supervisors of the County is empowered and obligated to annually levy ad valorem taxes for the payment of the Principal of and interest on the Bond as such Principal and interest become due and payable.

The Bonds were authorized at an election of qualified voters of the District held on November 4, 2014 (the "2014 Election") at which time the requisite fifty-five percent (55%) or more of the qualified electors of the District voted to authorize the issuance and sale of up to $29,800,000 principal amount of general obligation bonds of the District, payable from the levy of an *ad valorem* tax against the taxable property in the District (the "2014 Authorization").

Such *ad valorem* property taxes are deposited with the County for the account of the District and applied only to pay the principal of, premium, if any, and interest on the Bonds. The District does not receive such funds nor are they available to pay any of the District's operating expenses. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The annual tax levy will be based on the assessed value of taxable property in the District. Fluctuations in the assessed value of property in the District may cause the annual tax levy and tax rate to fluctuate. The reduction of assessed values of taxable property in the District caused by economic and other factors beyond the District's control, such as economic recession, deflation of land values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of such property caused by, among other eventualities, earthquake, flood or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax levy. See also "STATE CONSTITUTIONAL LIMITATIONS ON DISTRICT REVENUE SOURCES AND EXPENDITURES – Article XIIIA."

The Bonds

The Bonds will be initially issued in book-entry form only, in denominations of $5,000 principal amount or integral multiples thereof, and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). The Bonds will be issued as current interest bonds. The principal of the Bonds is payable on the maturity dates set forth on the inside cover page of this Official Statement or upon the earlier redemption thereof, as described herein. Interest on the Bonds is payable on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing on August 1, 2015. See "THE BONDS – Interest on the Bonds" herein.

The District's General Obligation Bond Program

At an election of qualified voters of the District held on June 2, 1992 (the "1992 Election"), the requisite two-thirds or more of qualified electors of the District voted to authorize the issuance and sale of up to $32,000,000 principal amount of general obligation bonds of the District, payable from the levy of an *ad valorem* tax against the taxable property in the District (the "1992 Authorization") for the acquisition, construction and/or modernization of the school facilities throughout the District. The District has issued $29,536,936 to fund the construction of classrooms and renovation of other facilities. All general obligation bonds of the District are issued on a parity with one another.

The following table sets forth the dates and amounts authorized, the amounts issued and the amounts remaining unissued for the 2014 Authorization.

TABLE 1
ROBLA SCHOOL DISTRICT
General Obligation Bond Authorizations
Dates and Amounts Authorized, Amounts Issued, Amounts Unissued

Bond Authorization	Date Authorized by Voters	Amount Authorized ($ Millions)	Amount Issued	Amount Unissued
1992 Election	June 2, 1992	$32.0	$29,536,936	$ 2,463,064
2014 Election	November 4, 2014	29.8	6,400,000	23,400,000

Source: The District

Expected Use of Bond Proceeds

The proceeds of the Bonds, after payment of costs of issuance therefor and certain related expenses, will fund school projects (collectively, the "2014 Election Projects") approved at the 2014 Election, which proposed: "To better integrate school facilities with the academic program, increase access to modern technology, improve school safety and security, replace portable classrooms with permanent construction, modernize classroom interiors to meet 21st century needs, construct a new school to relieve overcrowding, and qualify the District to receive State grants, shall Robla School

District be authorized to issue $29,800,000 in bonds at legal interest rates, with annual audits, an independent Citizens' Oversight Committee, and no money for administrator salaries?"

The District will use the proceeds of sale of the Bonds to (i) complete certain of the 2014 Election Projects; (ii) make a deposit to the debt service fund for the Bonds (the "Debt Service Fund"); and (iii) pay the costs of issuance of the Bonds.

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") for each fiscal year by not later than 270 days following the end of the District's fiscal year (currently ending June 30) commencing with the Annual Report for fiscal year 2014-15, and to provide notices of the occurrence of certain enumerated events.

The notices of specified events will be filed by the District with the MSRB through EMMA. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized below in APPENDIX G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) adopted by the SEC under the Exchange Act. See "CONTINUING DISCLOSURE UNDERTAKING" herein.

Other Information

This Official Statement contains brief descriptions of, among other things, the District, the District's general obligation bond program, the Resolution and certain matters relating to the security for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to documents are qualified in their entirety by reference to such documents. Copies of such documents are available upon request to the Superintendent at Robla School District, 5248 Rose Street, Sacramento, California 95838; telephone: (916) 991-1728, and, following delivery of the Bonds will be on file at Director of Finance of the County, as the initial Paying Agent for the Bonds (the "Paying Agent"), in Sacramento, California.

ESTIMATED SOURCES AND USES OF FUNDS

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

Estimated Sources of Funds	
Principal Amount	$6,400,000.00
Net Original Issue Premium	162,159.00
Total Sources	$6,562,159.00
Estimated Uses of Funds	
Deposit to Building Fund	$6,225,000.00
Deposit to Debt Service Fund	130,016.98
Costs of Issuance(1)	207,142.02
Total Uses	$6,562,159.00

(1) Includes underwriter's discount, fees of Bond Counsel, the Paying Agent, the Financial Advisor, the rating agencies, the printer, bond insurance premium, and other miscellaneous expenses.

THE BONDS

Authority for Issuance

The Bonds are issued and secured pursuant to (i) Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, Article 4.5 of the California Government Code, as amended and (ii) the Article XIIIA of the California Constitution (together, the "Bonds Authorizing Law") and pursuant to the provisions of Resolution No. 747 of the District, adopted on December 11, 2014 and Resolution No. 749 of the District, adopted on January 15, 2015 (collectively, the "Resolution"). The Bonds were authorized at the 2014 Election pursuant to the 2014 Authorization.

General Provisions

The Bonds will be issued in book-entry form only, without coupons, in denominations of $5,000 principal amount or any integral multiple thereof, and, when issued, will be initially registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. The registered owners of the Bonds (the "Owners") will not receive physical certificates representing their interest in the Bonds purchased, except in the event that use of the book-entry system for the Bonds is discontinued. Payments of principal of, premium, if any, and interest on the Bonds are payable by the Paying Agent to DTC, which is obligated in turn to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. For information about the securities depository and DTC's book-entry system, see APPENDIX E – "BOOK-ENTRY ONLY SYSTEM" attached hereto.

Interest on the Bonds

The Bonds mature in the years indicated on the inside cover page hereof. Interest on the Bonds is payable on each Interest Payment Date, commencing on August 1, 2015, and shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Each Bond will bear interest from the Interest Payment Date next preceding the date of registration thereof, unless it is (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. "Record Date" shall mean the 15th day of the month preceding an Interest Payment Date whether or not such day is a business day.

Annual Debt Service

The annual debt service obligations for the year ending August 1 for all of the District's outstanding general obligation bonds following the issuance of the Bonds is set forth in APPENDIX A – "ANNUAL DEBT SERVICE" attached hereto.

Redemption of the Bonds

Optional Redemption of the Bonds

The Bonds maturing on or before August 1, 2024 are not subject to redemption prior to their fixed maturity dates. The Bonds maturing on and after August 1, 2025, may be redeemed before maturity, at the option of the District, from any source of available funds, in whole or in part on any date on or after February 1, 2025, at par, together with interest accrued thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption of the Bonds

The Bonds maturing on August 1, 2039, are also subject to mandatory sinking fund redemption, in part, on August 1 of each year on and after August 1, 2036, in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount to be redeemed in each year shown below will be reduced proportionately, in integral multiples of $5,000, by any portion of the Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

Mandatory Sinking Fund Payment Date (August 1)	Redemption Price
2036	$335,000
2037	365,000
2038	395,000
2039*	430,000

* Maturity.

The Bonds maturing on August 1, 2044, are also subject to mandatory sinking fund redemption, in part, on August 1 of each year on and after August 1, 2040, in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount to be redeemed in each year shown below will be reduced proportionately, in integral multiples of $5,000, by any portion of the Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

Mandatory Sinking Fund Payment Date (August 1)	Redemption Price
2040	$465,000
2041	505,000
2042	545,000
2043	590,000
2044*	635,000

* Final Maturity.

Selection of Bonds for Redemption

Whenever provision is made for the redemption of Bonds and less than all outstanding Bonds of a Series are to be redeemed, the Paying Agent, upon written instruction from the District shall select Bonds for redemption in such order as the District may direct, or, in the absence of such direction, in inverse order of maturity within a Series. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond that is a Bond to be redeemed in part shall be in the Principal Amount of $5,000 or any integral multiple thereof.

Notice of Redemption

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

The Paying Agent shall take the following actions with respect to such Redemption Notice: (i) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register. Notice of redemption may be given on a conditional basis in connection with a refunding of the Bonds, (ii) if the Bonds shall no longer be held in book-entry only form, at least two days before the date of the notice required by clause (i) such Redemption Notice shall be given by first class mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to each of the Securities Depositories, and (iii) if the Bonds shall no longer be held in book-entry only form, at least two days before the date of notice required by clause (i) such Redemption Notice shall be given by first class mail, postage prepaid, or overnight delivery service to one of the Information Services.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear the CUSIP number identifying, by Series and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside for the payment of their redemption price, the Bonds to be redeemed shall become due and payable on such date of redemption. If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in the Resolution, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of the Resolution shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

Partial Redemption of Bonds

Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in transfer 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 County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption

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

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in the Resolution, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of the Resolution shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

Transfer and Exchange

The transfer of any Bond may be registered upon surrender of such Bond to the Paying Agent. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute Owner of such Bond, whether the Principal, premium, if any, or interest with respect to such Bond shall be overdue or not, for the purpose of receiving payment of Principal, premium, if any, and interest with respect to such Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged at the office of the Paying Agent for Bonds of like tenor, maturity and Transfer Amount. All Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Bond executed and delivered upon any exchange (except in the case of the first exchange of any Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

Defeasance

If any or all Outstanding Bonds shall be paid and discharged in any one or more of the following ways:

(1) by paying or causing to be paid the principal, premium, if any, and interest on such Bonds, and when the same become due and payable;

(2) by depositing with the Paying Agent, in trust, at or before maturity, cash which together with the amounts then on deposit in the Debt Service Fund (and the accounts therein other than amounts that are not available to pay debt service) together with the interest to accrue thereon without the need for further investment, is fully sufficient to pay such Bonds at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

(3) by depositing with an institution that meets the requirements of serving as successor Paying Agent, pursuant to the Resolution, selected by the District, in trust, lawful money or noncallable direct obligations issued by the United States Department of the Treasury ("U.S. Treasury Department") (including State and Local Government Series) or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code") and Treasury Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such

amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge such Bonds at maturity or earlier redemption thereof, for which notice has been given or provided for, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment;

then all obligations of the District and the Paying Agent under the Resolution with respect to such Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of such Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under the Resolution.

PLAN OF FINANCE

The District will use the proceeds of sale of the Bonds to (i) complete certain of the 2014 Election Projects; (ii) make a deposit to the Debt Service Fund; and (iii) pay the costs of issuance of the Bonds. The net proceeds from the sale of the Bonds will be deposited into the Building Fund of the District established with the Director of Finance (the "Building Fund"). The District will be responsible for the use of proceeds of the Bonds deposited in the Building Fund. The use of such proceeds is limited to the list of capital projects approved by the voters at the 2014 Election. Such net proceeds and interest earnings on the investment of moneys held in the Building Fund, except as required to be rebated to the U.S. Treasury Department, will be retained in the Building Fund and used only for expenditures eligible under the 2014 Election. A portion of the proceeds from the sale of the Bonds will be used to pay Underwriter's discount and costs of issuance associated with the issuance of the Bonds.

The District will deposit or cause to be deposited any accrued interest and any premium received by the District from the sale of the Bonds, net of any bond premium used to pay costs of issuance or any related expenses, into the Debt Service Fund. See "INTRODUCTION – Expected Use of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein. Except as required to be rebated to the U.S. Treasury Department, interest earned on the investment of moneys held in the Debt Service Fund will be retained in the Debt Service Fund and used to pay for the principal of, premium, if any, and interest on the Bonds when due.

All Bond proceeds held by the County Treasurer will be invested in the County Treasury Pool (see APPENDIX H – "SACRAMENTO COUNTY POOLED SURPLUS INVESTMENTS" attached hereto). The County Treasurer disclaims responsibility to report, reconcile or monitor the investment of proceeds related to the Bonds except for any proceeds related to the Bonds that have been invested in the County Treasury Pool.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Description

The Bonds are general obligation bonds approved by voters within the District and are payable from *ad valorem* property taxes levied by the County on taxpayers within the District. The Board of Supervisors of the County has the power and is obligated under State to annually levy *ad valorem* property taxes upon all property within the District subject to taxation by the County, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of, premium, if any, and interest on the Bonds. Such *ad valorem* property taxes are deposited with the County and applied only to pay the principal of, premium, if any, and interest on the Bonds. Such taxes are in addition to other taxes levied upon property within the District. Such taxes, when collected, will be placed by the County in the Debt Service Fund, which is required to be maintained by the County, and such taxes will be used solely for the payment of principal of, premium, if any, and interest on such Bonds.

California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes

On June 6, 1978, California voters approved Proposition 13, adding Article XIIIA to the Constitution of the State (the "State Constitution"). Article XIIIA, among other things, affects the valuation of real property for the purpose of taxation in that it defines the full cash property value to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under 'full cash value,' or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data for the area under taxing jurisdiction, or reduced in the event of declining property value caused by substantial damage, destruction or other factors including a general economic downturn. Any reduction in assessed value is temporary and may be adjusted for any given year by the assessor of such county. The assessed value increases to its pre-reduction level (escalated to the annual inflation rate of no more than two percent) following the year(s) for which the reduction is applied. The amendment further limits the amount of any *ad valorem* tax on real property to 1% of the full cash value except that additional taxes may be levied to pay (i) debt service on indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the school district or community college district, but only if certain accountability measures are included in the proposition.

On June 3, 1986, State voters approved Proposition 46, which added an additional exemption to the 1% tax limitation imposed by Article XIIIA. Under this amendment to Article XIIIA, local governments and school districts may increase the property tax rate above 1% for the period necessary to retire new general obligation bonds, if two-thirds of those voting in a local election approve the issuance of such bonds and the money raised through the sale of the bonds is used exclusively to purchase or improve real property.

Legislation enacted by the Legislature of the State to implement Article XIIIA provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the $1 per $100 of taxable value. Tax rates for voter approved bonded indebtedness are also applied to 100% of assessed value.

Future assessed valuation growth allowed under Article XIIIA (new construction, change of ownership, 2% annual value growth) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of "base" revenue from the tax rate area. Each year's growth allocation becomes part of each agency's allocation the following year. The District is unable to predict the nature or magnitude of future revenue sources which may be provided by the State to replace lost property tax revenues. Article XIIIA effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Separate *ad valorem* property taxes to pay voter-approved indebtedness such as the Bonds are levied by the County on behalf of the local agencies. Article XIIIA effectively prohibits the levying of any other *ad valorem* property tax above the Proposition 13 limit except for taxes to support such indebtedness.

The full cash value of taxable property under Article XIIIA represents the maximum taxable value for property. Accordingly, the fair market value for a given property may not be the equivalent of the full cash value under Article XIIIA. During periods in which the real estate market within the District evidences an upward trend, the fair market value for a given property, which has not been reappraised due to a change in ownership, may exceed the full cash value of such property. During periods in which the real estate market demonstrates a downward trend, the fair market value of a given property may be less than the full cash value of such property and the property owner may apply for a "decline in value" reassessment pursuant to Proposition 8. Reassessments pursuant to Proposition 8, if approved by the Office of the County Assessor, lower valuations of properties (where no change in ownership has occurred) if the current value of such property is lower than the full cash value of record of the property. The value of a property reassessed as a result of a decline in value may change, but in no case may its full cash value exceed its fair market value. When and if the fair market value of a property which has received a downward reassessment pursuant to Proposition 8 increases above its Proposition 13 factored base year value, the Office of the County Assessor will enroll such property at its Proposition 13 factored base year value.

Assessed Valuation of Property within the District

As required by State law, the District uses the services of the County for the assessment and collection of taxes for District purposes. District taxes are collected by the County at the same time and on the same tax rolls as are County, city and special district taxes. Assessed valuations are the same for both District and County taxing purposes. The valuation of secured property by the County is established as of March 1, and is subsequently equalized in August of each year.

State law exempts $7,000 of the full cash value of an owner-occupied dwelling from property tax, but this exemption does not result in any loss of revenue to local entities because an amount equivalent to the taxes which would have been payable on such exempt values is paid by the State to the County for distribution to local agencies.

The County levies property taxes on behalf of taxing agencies in the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (the "Supplemental Assessment"). In such instances, the property is reassessed and a supplemental tax bill is sent to the new owner based on the new value prorated for the balance of the tax year. Accordingly, each school district is to receive allocations of revenue from such Supplemental Assessments (such allocations to be from amounts remaining after allocations to each redevelopment agency in the County in connection with the 1% levy) and, in accordance with various apportionment factors, to the County, the County superintendent of schools, each community college district, each city and each special district within the County.

Under State law, a property owner can file a claim for a temporary reduction in assessed value when a property suffers a decline-in-value, which is deemed to have occurred when the current market value of the property is less than the assessed value as of January 1. The property is subject to annual review of a temporary decline-in-value reassessment granted for the prior assessment year.

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

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

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

The Teeter Plan is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year, the County Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors are to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency. Economic and other factors beyond the District's control, such as a general market decline in land 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, 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 District's outstanding general obligation bonds.

In fiscal year 2013-14, the District's total secured and unsecured assessed valuation was approximately $2,090,417,901. In fiscal year 2014-15, the District's total secured and unsecured assessed valuation is approximately $2,259,185,293. Shown in the following table are the assessed valuations of property in the District for fiscal years 2010-11 through 2014-15 at 100% of the "full cash value" of the property, as defined in Article XIIIA of the State Constitution.

TABLE 2
Historical Gross Assessed Valuation of Taxable Property
Fiscal Years 2010-11 through 2014-15

Fiscal Year	Local Secured	Utility	Unsecured	Total
2010-11	$1,700,664,166	$49,158	$382,381,762	$2,083,095,086
2011-12	1,608,309,547	53,144	378,697,546	1,987,060,237
2012-13	1,544,066,587	53,144	414,887,278	1,959,007,009
2013-14	1,582,705,564	53,144	507,659,193	2,090,417,901
2014-15	1,641,945,222	53,144	617,186,927	2,259,185,293

Source: California Municipal Statistics, Inc.

The following table gives a distribution of taxable property located in the District on the fiscal year 2014-15 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

TABLE 3
Assessed Valuation and Parcels by Land Use
Fiscal Year 2014-15

Non-Residential:	2014-15 Assessed Valuation[1]	% of Total	No.of Parcels	% of Total
Agricultural	$ 3,981,668	0.24%	3	0.05%
Commercial	52,700,901	3.21	48	0.72
Vacant Commercial	4,700,606	0.29	30	0.45
Office Building	34,469,652	2.10	20	0.30
Industrial	797,518,545	48.57	378	5.68
Vacant Industrial	20,952,809	1.28	115	1.73
Recreational	934,093	0.06	8	0.12
Government/Social/Institutional	11,180,399	0.68	221	3.32
Miscellaneous	212,254	0.01	63	0.95
Subtotal Non-Residential	$926,650,927	56.44%	886	13.32%
Residential:				
Single Family Residence	$624,458,548	38.03%	4,590	69.02%
Condominium/Townhouse	5,912,673	0.36	52	0.78
Mobile Home	7,392,320	0.45	208	3.13
Mobile Home Park	3,815,328	0.23	3	0.05
2-4 Residential Units	20,312,521	1.24	437	6.57
5+ Residential Units/Apartments	35,153,597	2.14	13	0.20
Vacant Residential	18,249,308	1.11	461	6.93
Subtotal Residential	$715,294,295	43.56%	5,764	86.68%
Total	$1,641,945,222	100.00%	6,650	100.00%

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

The following table sets forth the assessed valuation of single family homes located in the District for fiscal year 2014-15.

TABLE 4
Per Parcel 2014-15 Assessed Valuation of Single-Family Homes

	Parcels	Assessed Valuation	Assessed Valuation	Assessed Valuation
Single Family Residential	4,590	$624,458,548	$136,048	$133,425

2014-15 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	88	1.917%	1.917%	$ 1,497,210	0.240%	0.240%
$25,000 - $49,999	276	6.013	7.930	10,320,656	1.653	1.892
$50,000 - $74,999	435	9.477	17.407	27,732,937	4.441	6.334
$75,000 - $99,999	550	11.983	29.390	48,523,350	7.770	14.104
$100,000 - $124,999	660	14.379	43.769	74,263,119	11.892	25.996
$125,000 - $149,999	793	17.277	61.046	108,880,073	17.436	43.432
$150,000 - $174,999	659	14.357	75.403	106,783,413	17.100	60.533
$175,000 - $199,999	554	12.070	87.473	103,347,811	16.550	77.083
$200,000 - $224,999	282	6.144	93.617	59,470,856	9.524	86.606
$225,000 - $249,999	136	2.963	96.580	31,972,423	5.120	91.726
$250,000 - $274,999	52	1.133	97.712	13,560,814	2.172	93.898
$275,000 - $299,999	34	0.741	98.453	9,746,521	1.561	95.459
$300,000 - $324,999	19	0.414	98.867	5,841,424	0.935	96.394
$325,000 - $349,999	13	0.283	99.150	4,389,943	0.703	97.097
$350,000 - $374,999	6	0.131	99.281	2,154,732	0.345	97.442
$375,000 - $399,999	10	0.218	99.499	3,900,056	0.625	98.067
$400,000 - $424,999	2	0.044	99.542	806,671	0.129	98.196
$425,000 - $449,999	8	0.174	99.717	3,484,560	0.558	98.754
$450,000 - $474,999	2	0.044	99.760	936,159	0.150	98.904
$475,000 - $499,999	3	0.065	99.826	1,475,018	0.236	99.140
$500,000 and greater	8	0.174	100.000	5,370,802	0.860	100.000
Total	4,590	100.000%		$624,458,548	100.000%	

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

Tax Rates, Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. Real property that changes ownership or is newly constructed is revalued at the time the change occurs or the construction is completed. The current year property tax rate is applied to the reassessed value, and the taxes are then adjusted by a proration factor that reflects the portion of the remaining tax year for which taxes are due. The annual tax rate is based on the amount necessary to pay all obligations payable from *ad valorem* property taxes and the assessed value of taxable property in a given year.

For assessment and collection purposes, property is classified as either "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing property (real or personal) the taxes on which are a lien sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is listed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Properties on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then may be sold at public auction by the County Treasurer.

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

Proposition 13 and its implementing legislation impose the function of property tax allocation on counties in the State and prescribe how levies on countywide property values are to be shared with local taxing entities within each county. The limitations in Proposition 13, however, do not apply to *ad valorem* property taxes or special assessments to pay the interest and redemption charges on indebtedness, like its general obligation bonds, approved by the voters.

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

State Government Code Sections 29100 through 29107 provide the procedures that all counties must follow for calculating tax rates. The secured tax levy within the District consists of the District's share of the 1% general *ad valorem* property and unitary taxes assessed on a County-wide basis and amounts levied that are in excess of the 1% general *ad valorem* property taxes. These tax receipts are part of the District's operations. In addition, the secured tax levy also includes the amount for the District's share of special voter-approved *ad valorem* property taxes assessed on a district-wide basis, such as the *ad valorem* property taxes assessed for the District's general obligation bonds issued pursuant to the Authorizations. *Ad valorem* property taxes levied for general obligation bonds are deposited with the County and applied only to pay the principal of, premium, if any, and interest on the District's general obligation bonds, including the Bonds. The District does not receive such funds nor are they available to pay any of the District's operating expenses. In addition, the total secured tax levy includes special assessments, improvement bonds, supplemental taxes or other charges which have been assessed on property within the District. Since State law allows homeowners' exemptions (described above) and certain business exemptions from *ad valorem* property taxation, such exemptions are not included in the total secured tax levy. See "– California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes" herein.

Further, Section 15251 of the Education Code of the State (the "Education Code") provides that all taxes levied with respect to general obligation bonds when collected will be paid into the county treasury of the county whose superintendent of schools has jurisdiction over the school district on behalf of which the tax was levied, to the credit of the debt service fund (or interest and sinking fund) of the school district, and will be used for the payment of the principal and accreted value of, premium, if any, and interest on the general obligations bonds of the school district and for no other purpose. Accordingly, the County may not borrow or spend such amounts nor can the District receive such funds and use them for operating purposes.

A representative tax rate area located within the District is Tax Rate Area 3-252. The table below summarizes the total *ad valorem* tax rates, including tax rates for the District's general obligation bonds, levied upon property owners by all taxing entities for the last several years in Tax Rate Area 3-252 from fiscal years 2010-11 through 2014-15.

TABLE 5
Typical Tax Rates
Per $100 of Assessed Valuation (TRA 3-252)
Fiscal Years 2010-11 through 2014-15(1)

	2010-11	2011-12	2012-13	2013-14	2014-15
General	1.0000	1.0000	1.0000	1.0000	1.0000
Los Rios Community College District	.0090	.0192	.0193	.0181	.0113
Twin Rivers Unified School District					
(former Grant Joint Union High School bonds)	.0633	.0589	.0823	.0728	.0950
Robla School District	.0497	.0619	.0879	.0531	.0831
Total	1.1220	1.1400	1.1895	1.1440	1.1894

(1) Fiscal Year 2014-15 assessed valuation of TRA 3-252 is $285,924,250
Source: California Municipal Statistics, Inc.

The following table shows real property tax charges and corresponding delinquencies with respect to property located in the District for fiscal years 2009-10 through 2013-14.

TABLE 6
Secured Tax Charges and Delinquencies
Fiscal Years 2009-10 through 2013-14

Fiscal Year	Secured Tax Charge(1)	Amt. Del. June 30	% Del. June 30
2009-10	$ 786,525	$32,600	4.14%
2010-11	831,852	26,389	3.17
2011-12	977,576	26,260	2.69
2012-13	1,329,724	31,837	2.39
2013-14	839,503	24,463	2.91

(1) Levy for District's general obligation debt service only
Source: California Municipal Statistics, Inc.

Largest Taxpayers in the District

The following table sets forth the twenty largest secured taxpayers in the District for fiscal year 2014-15.

TABLE 7
Largest Local Secured Taxpayers
Fiscal Year 2014-15

	Property Owner	Primary Land Use	2014-15 Assessed Valuation	% of Total[(1)]
1.	Westcore Delta LLC	Industrial	$152,476,523	9.29%
2.	MP Holdings LLC	Industrial	54,448,680	3.32
3.	Harsch Investment Properties LLC	Industrial	49,831,294	3.03
4.	Amerisourcebergen Drg Corporation	Industrial	33,192,122	2.02
5.	MP 637 LLC	Industrial	21,214,218	1.29
6.	Ebara Technologies Inc.	Industrial	14,075,601	0.86
7.	Ethan Conrad	Office Building	13,885,752	0.85
8.	Sutters Claim LP	Commercial	13,715,849	0.84
9.	CIP Savannah LLC	Apartments	12,917,725	0.79
10.	ROIC California LLC	Commercial	12,400,000	0.76
11.	Hayden J. Markstein Revocable Trust	Industrial	12,063,447	0.73
12.	Mygrant Living Trust	Industrial	8,871,600	0.54
13.	Linc Taylor Terrace Apartments Housing	Apartments	8,870,088	0.54
14.	Genuine Parts Company	Industrial	7,935,905	0.48
15.	Quality Investment Properties Sacramento	Industrial	7,833,245	0.48
16.	American Office Park Properties LP	Industrial	7,602,535	0.46
17.	Ragingwire Enterprise Solutions Inc.	Industrial	7,325,000	0.45
18.	US Foodservice Inc.	Industrial	7,018,525	0.43
19.	Cintas Sales Corporation	Industrial	6,872,035	0.42
20.	Atco Rubber Products Inc.	Industrial	6,856,678	0.42
			$459,406,822	**27.98%**

(1) 2014-15 Local Secured Assessed Valuation: $1,641,945,222
Source: California Municipal Statistics, Inc.

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General Obligation Bond Program and Bonding Capacity

Voters within the District have approved a total of $59.8 million of general obligation bonds in two separate bond elections since 1992. See "INTRODUCTION – The District's General Obligation Bond Program" herein for additional information regarding the Authorizations. See APPENDIX C – "DISTRICT INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt" for additional information regarding the District's outstanding general obligation bonds.

Pursuant to Sections 15102 and 15268 of the Education Code, the District's bonding capacity for general obligation bonds may not exceed 1.25% of taxable property value in the District as shown by the last equalized assessment of the County. The District is currently in the process of petitioning the State Board of Education to increase its statutory debt limit. The waiver will not affect the issuance of the Bonds.

The taxable property value in the District for fiscal year 2014-15 is approximately $2.3 billion, and prior to the issuance of the Bonds, the District has a total bonding capacity for general obligation bonds of at least $28.2 million.

Direct and Overlapping Debt

Set forth on Table 8 on the following page is the debt report prepared by the California Municipal Statistics, Inc. which provides information with respect to direct and overlapping debt within the District as of November 21, 2014 (the "Debt Report"). 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 representations 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. 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.

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TABLE 8
Schedule of Direct and Overlapping Bonded Debt
As of November 21, 2014

2014-15 Assessed Valuation: $2,259,185,293

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable[1]	Debt 9/1/14
Los Rios Community College District	1.418%	$ 5,122,950
Twin Rivers Unified School District (formerly Grant Joint Union High School District)	19.680	37,163,739
Robla School District	**100.**	**23,081,349**[2]
Sacramento County Community Facilities District No. 2004-1	38.443	7,690,522
City of Sacramento Assessment District No. 2	2.846	31,306
Sacramento Area Flood Control Capital District Assessment District	Various	11,233,716
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$84,323,582
OVERLAPPING GENERAL FUND DEBT:		
Sacramento County General Fund Obligations	1.727%	$ 5,033,906
Sacramento County Pension Obligations	1.727	16,819,840
Sacramento County Board of Education Certificates of Participation	1.727	138,333
Los Rios Community College District Certificates of Participation	1.418	80,401
Twin Rivers Unified School District (formerly Grant Joint Union High School District) Certificates of Participation	19.680	25,549,560
City of Sacramento General Fund Obligations	2.846	17,642,923
Sacramento Metropolitan Fire Pension Obligations	0.534	317,591
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$65,582,554
Less: Sacramento County supported obligations		107,678
City of Sacramento supported obligations		10,338,156
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$55,136,720
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$17,326,422
GROSS COMBINED TOTAL DEBT		$167,232,558[3]
NET COMBINED TOTAL DEBT		$156,786,724

(1) Based on 2013-14 ratios.
(2) Excludes issue to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2014-15 Assessed Valuation:
Direct Debt ($23,081,349)..1.02%
Total Direct and Overlapping Tax and Assessment Debt 3.73%
Gross Combined Total Debt 7.40%
Net Combined Total Debt...6.94%

Ratios to Redevelopment Incremental Valuation ($195,372,938):
Overlapping Tax Increment Debt 8.87%

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 exhibit 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 global public finance, infrastructure and structured finance markets. 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 Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA")and "A2" (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 November 13, 2014, KBRA assigned an insurance financial strength rating of "AA+" (stable outlook) to AGM. AGM can give no assurance as to any further ratings action that KBRA may take.

On July 2, 2014, S&P issued a credit rating report in which it 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 July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's 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, 2013.

Capitalization of AGM.

At September 30, 2014, AGM's policyholders' surplus and contingency reserve were approximately $3,683 million and its net unearned premium reserve was approximately $1,810 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles

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, 2013 (filed by AGL with the SEC on February 28, 2014);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014 (filed by AGL with the SEC on May 9, 2014);

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014 (filed by AGL with the SEC on August 8, 2014); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014 (filed by AGL with the SEC on November 7, 2014).

All consolidated financial statements of AGM and all other 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.: 31 West 52nd Street, 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 or one of its affiliates may purchase a portion of the Bonds offered under this Official Statement and such purchases may constitute a significant proportion of the Bonds offered. AGM or such affiliate may hold such Bonds for investment or may sell or otherwise dispose of such Bonds at any time or from time to time.

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."

TAX MATTERS

Federal Income Taxes

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Resolution and the tax and nonarbitrage certificate executed by the District in connection with the issuance of the Bonds (the "Tax Certificate"), the District has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the District has made certain representations and certifications in the Resolution and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the District described above, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

State Taxes

Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California under present state law. Bond Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Bonds nor as to the taxability of the Bonds or the income therefrom under the laws of any state other than the State of California.

Original Issue Discount

Bond Counsel is further of the opinion that the difference between the principal amount of the Bonds maturing on August 1, 2029, August 1, 2039, and August 1, 2044 (collectively the "Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

The Bonds maturing on August 1, 2020 through August 1, 2027, inclusive, and on August 1, 2030 through August 1, 2035, inclusive (collectively, the "Premium Bonds") are being offered at prices in excess of their principal amounts. An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, and individuals seeking to claim the earned income credit. Ownership of the Bonds may also result in other federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as APPENDIX F. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post-Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Bonds from gross income for federal or state income tax purposes, or otherwise. Bond Counsel notes that in each year since 2011, President Obama released legislative proposals that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code (including the Bonds) for taxpayers whose income exceeds certain thresholds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of Owners of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any change in law on the Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

LEGAL MATTERS

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide Annual Reports for each fiscal year by not later than 9 months following the end of the District's fiscal year (currently ending June 30) commencing with the Annual Report for fiscal year 2013-14, and to provide notices of the occurrence of certain enumerated events. The District will provide or cause to be provided the Annual Reports and these notices to the Municipal Securities Rulemaking Board through its EMMA system located at www.emma.msrb.org, in the manner prescribed by the SEC, although the information presented there is not incorporated by reference in this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds. The specific nature of the information to be contained in the notices of events is set forth in APPENDIX G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Within the past five years, the District has failed to comply with certain previous undertakings with regards to Rule 15c2-12(b)(5) to provide annual reports and notices of material events. On December 1, 2011, the District made a remedial filing incorporating certain information not included in the annual reports for fiscal years 2006-07, 2007-08, 2008-09 and 2009-10. In addition, the District's annual report for fiscal year 2009-10 was filed nine months late and the District's annual reports for 2011-12 and 2012-13 did not include certain information, including tables relating to secured taxes and delinquencies, typical total tax rates, assessed valuation and parcels by land use, top employers in the District and developer fees collected. Information for the previous five fiscal years related to secured taxes and delinquencies, typical total tax rates and developer fees, as well as information on assessed valuation and parcels by land use and top employers in the County, is included in this Official Statement. In addition, the material event notice of a ratings upgrade on March 18, 2014 by S&P of Assured Guaranty Municipal Corp. and MBIA, Inc., providers of financial guaranty insurance policies for certain of the District's outstanding Bonds was not posted on EMMA until May 16, 2014.

The District has hired Caldwell Flores Winters, Inc. to assist with the preparation and dissemination of the annual reports and material event filings required by the District's existing continuing disclosure undertakings, including in connection with the undertaking being entered into in connection with the 2015 Bonds. See APPENDIX G – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." The District believes it will be compliant with Rule 15c2-12(b)(5) in the future.

Limitation on Remedies; Amounts Held in the County Treasury Pool

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

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

The Resolution and the State Government Code require the County to annually 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 the principal of, premium, if any, and interest on the Bonds. The County on behalf of the District is thus 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's Treasury Pool, as described in APPENDIX H – "SACRAMENTO COUNTY POOLED SURPLUS INVESTMENTS" attached hereto. In the event the District or the County were to go into bankruptcy, a federal bankruptcy court might hold that the owners of the Bonds are unsecured creditors with respect to any funds received by the District or the County prior to the bankruptcy, which may include taxes that have been collected and deposited into the Debt Service Fund, where such amounts are deposited into the County Treasury Pool, and such amounts may not be available for payment of the principal and interest on the Bonds unless the owners of the Bonds can "trace" those funds. There can be no assurance that the Owners could successfully so "trace" such taxes on deposit in the Debt Service Fund where such amounts are invested in the County Treasury Pool. Under any such circumstances, there could be delays or reductions in payments on the Bonds.

Certain Legal Matters

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Nixon Peabody LLP, San Francisco, California, as Bond Counsel, and certain other conditions. Complete copies of the proposed forms of opinion of Bond Counsel with respect to the Bonds are set forth in APPENDIX F attached hereto. Certain legal matters will also be passed upon for the District by its

Disclosure Counsel, Nixon Peabody LLP, San Francisco, California, and for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation.

FINANCIAL STATEMENTS

The District's Audited Financial Statements for fiscal year 2013-14 are attached as APPENDIX D. The basic financial statements of the District for fiscal year 2013-14, which are included in APPENDIX D to this Official Statement, have been audited by Crowe Horwath, independent certified public accountants (the "Auditor"), as stated in their report appearing in APPENDIX D. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX D to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

LITIGATION

There is no litigation pending against the District or, to the knowledge of its executive officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or the Authorizations or any proceedings of the District taken with respect to the issuance or sale thereof, or the levy or application of *ad valorem* property taxes for the payment of principal and interest on the Bonds or the use of the proceeds of the Bonds. To the best of the District's knowledge, there are no pending lawsuits that challenge the validity of the Bonds, the existence of the District, or the title of the executive officers to their respective offices.

MISCELLANEOUS

Ratings

Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P" and, together with Moody's, the "Rating Agencies") have assigned their municipal bond ratings of "A2" (stable outlook) and "AA" (stable outlook), respectively, to the Bonds, with the understanding that, upon the issuance of the Bonds, the Policy will be issued by AGM. See "BOND INSURANCE" herein. The Bonds have been assigned an underlying rating of "A1" and "A", respectively, by Moody's and S&P. The District has furnished to each Rating Agency certain materials and information with respect to itself and the Bonds. Generally, Rating Agencies base their ratings on such information and materials and on their own investigations, studies and assumptions. Each rating reflects only the view of the respective Rating Agency, and any explanation of the significance of such rating may be obtained only from the issuing Rating Agency furnishing the same, at the following addresses: Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone: (212) 533-0377 and S&P, 55 Water Street, New York, New York 10041, telephone: (212) 438-2000. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

Financial Advisor

Caldwell Flores Winters, Inc. (the "Financial Advisor") has been engaged by the District to perform financial services in connection with the issuance of the Bonds. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. 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.

Underwriting

The Bonds are being purchased by Raymond James and Associates, Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at the purchase price of $6,530,016.98 which is equal to the aggregate principal amount of the Bonds of $6,400,000, plus a net original issue premium of $162,159.00 and less an Underwriter's discount of $24,131.42, less premium of a municipal bond insurance policy of $8,010.60 paid to AGM.

Pursuant to the Bond Purchase Agreement, the Underwriter will purchase all of the Bonds if any of such Bonds are purchased. The Underwriter may offer and sell the Bonds to certain dealers and others at prices or yields different from the initial public offering prices or yields stated on the inside cover page of this Official Statement. The initial public offering prices or yields may be changed from time to time by the Underwriter.

Additional Information

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

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 a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

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

ROBLA SCHOOL DISTRICT

By: /s/ Michael Henkel
Chief Business Official

APPENDIX A

The following table sets forth the annual debt service obligations for the year ending August 1 for all of the District's outstanding general obligation bonds following the issuance of the Bonds described in the forepart of this Official Statement.

OUTSTANDING GENERAL OBLIGATION BONDS

Year Ending (August 1)	Outstanding Bonds Debt Service[1]	2015A Bonds Principal	2015A Bonds Interest	Aggregate Debt Service
2015	$ 1,813,709.49	$ –	$ 109,060.02	$ 1,922,769.51
2016	1,916,157.23	–	240,868.76	2,157,025.99
2017	1,724,349.61	–	240,868.76	1,965,218.37
2018	1,829,399.46	–	240,868.76	2,070,268.22
2019	1,951,095.06	–	240,868.76	2,191,963.82
2020	2,066,481.86	20,000	240,868.76	2,327,350.62
2021	2,187,082.06	25,000	240,468.76	2,452,550.82
2022	2,313,976.46	40,000	239,718.76	2,593,695.22
2023	2,447,212.06	50,000	238,518.76	2,735,730.82
2024	4,153,476.96	65,000	237,018.76	4,455,495.72
2025	2,761,087.60	80,000	235,068.76	3,076,156.36
2026	2,927,573.00	95,000	232,668.76	3,255,241.76
2027	3,104,058.40	110,000	228,868.76	3,442,927.16
2028	3,295,543.80	125,000	224,468.76	3,645,012.56
2029	3,502,029.20	145,000	220,718.76	3,867,747.96
2030	3,718,514.60	165,000	216,368.76	4,099,883.36
2031	3,920,109.60	190,000	208,118.76	4,318,228.36
2032	3,598,821.00	215,000	198,618.76	4,012,439.76
2033	3,832,821.75	240,000	187,868.76	4,260,690.51
2034	4,086,392.30	270,000	175,868.76	4,532,261.06
2035	4,356,731.30	300,000	162,368.76	4,819,100.06
2036	4,645,000.00	335,000	147,368.76	5,127,368.76
2037	–	365,000	136,062.50	501,062.50
2038	–	395,000	123,743.76	518,743.76
2039	–	430,000	110,412.50	540,412.50
2040	–	465,000	95,900.00	560,900.00
2041	–	505,000	79,625.00	584,625.00
2041	–	545,000	61,950.00	606,950.00
2043	–	590,000	42,875.00	632,875.00
2044	–	635,000	22,225.00	657,225.00
Total	$66,151,622.80	$6,400,000	$5,380,297.74	$77,931,920.54

[1] The District has designated the Series 2011F Bonds as "Qualified School Construction Bonds" under Section 6431(f) of the Code, making it eligible for a Bond Subsidy Payment from the United States Treasury. The amount of the Bond Subsidy Payment is not reflected in the debt service shown above.

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APPENDIX B

REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION

The Robla School District (the "District") is located in the northern section of the City of Sacramento (the "City"), in the County of Sacramento (the "County") and the State of California (the "State"). This Appendix B provides economic and demographic information pertaining to the City and the County.

Population

The populations of the City, the County and the State during the period from 2010 through 2014 are set forth in the following table.

TABLE B-1
Population Figures[1]
2010 through 2014

Year	City of Sacramento	County of Sacramento	State of California
2010	466,488	1,418,788	37,253,956
2011	469,477	1,427,961	37,427,946
2012	470,433	1,433,510	37,668,804
2013	472,511	1,442,752	37,984,138
2014	475,122	1,454,406	38,340,074

[1] As of January 1 of the respective year.
Source: California State Department of Finance.

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Employment The District is within the Sacramento-Arden Arcade-Roseville Metropolitan Statistical Area Labor Market (Sacramento County) reported periodically by the State Employment Development Department.

The following tables set forth the status of wage and salary employment in the County in calendar years 2009 through 2013, and the status of employment in the City in calendar years 2009 through 2013.

TABLE B-2
Labor Force and Employment in Sacramento County(1)
For Years 2009 through 2013

	2009	2010	2011	2012	2013
Civilian Labor Force(2)	681,700	684,700	680,700	682,900	680,000
Employment	605,000	597,700	598,600	611,400	620,200
Unemployment	76,800	87,000	82,000	71,400	59,800
Unemployment Rate(3)	11.3%	12.7%	12.1%	10.5%	8.8%
Industry Employment(4)					
Farm	2,700	2,600	2,500	2,600	2,600
Mining and Logging	100	100	200	200	200
Construction	26,900	23,500	22,600	23,600	27,000
Manufacturing	20,400	19,400	20,400	21,100	20,800
Trade, Transportation and Utilities	82,900	81,600	82,600	86,300	87,700
Information	14,200	13,200	12,600	11,800	11,300
Financial Activities	36,000	32,000	30,500	31,200	31,500
Professional and Business Services	75,400	76,600	78,100	83,600	85,900
Educational and Health Services	83,600	81,600	82,300	84,800	88,700
Leisure and Hospitality	50,200	48,500	49,500	51,300	53,200
Other Services	20,400	20,100	19,700	19,600	19,500
Government	168,800	164,300	159,900	156,400	156,200
Total	581,600	563,500	560,900	572,500	584,600

(1) Total may not equal sum of components due to rounding. All information updated per March 2013 Benchmark.
(2) Based on place of residence.
(3) The State Employment Development Department has reported an unemployment rate (not seasonally adjusted) within the County of 6.8% for November 2014.
(4) Based on place of work.
Source: State Employment Development Department, Labor Market Information Division.

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TABLE B-3
Labor Force and Employment in the City of Sacramento[1]
For Years 2009 through 2013

	2009	2010	2011	2012	2013
Civilian Labor Force[2]	216,500	218,000	216,500	216,500	214,900
Employment	187,900	185,700	186,000	190,000	192,700
Unemployment	28,500	32,300	30,500	26,600	22,200
Unemployment Rate[3]	13.2%	14.8%	14.1%	12.3%	10.3%

(1) Total may not equal sum of components due to rounding. All information updated per March 2013 Benchmark.
(2) Based on place of residence.
(3) The State Employment Development Department has reported an unemployment rate (not seasonally adjusted) within the City of 8.0% for November 2014.
Source: State Employment Development Department, Labor Market Information Division.

Taxable Sales

In early 2007, the California State Board of Equalization began a process of converting business codes of sales and use tax permit holders to North American Industry Classification System ("NAICS") codes. As a result of the coding change process, industry data for calendar years 2007 and 2008 is not directly comparable with data from prior years. In 2009, the California State Board of Equalization completed the process of converting business codes of sales and use tax permit holders to NAICS codes. Accordingly, industry data for calendar years 2007 and 2008 is not comparable with data for calendar years 2009 through 2012 and through the second quarter of 2013.

The following table sets forth taxable transactions in the City for calendar years 2007 and 2008.

TABLE B-4
City of Sacramento
Taxable Transactions[1]
2007 and 2008
($ in thousands)

Type of Business	2007 Annual	2008 Annual
Apparel Stores	$ 255,278	$ 279,933
General Merchandise Stores	732,031	635,959
Food Stores	294,300	265,079
Eating and Drinking Places	673,734	690,946
Home Furnishings and Appliances	93,626	155,001
Building Materials	363,840	274,463
Motor Vehicles and Parts	447,679	367,082
Service Stations	486,016	535,786
Other Retail Stores	690,971	576,099
Retail Stores Totals	$4,037,475	$3,780,349
All Other Outlets	$1,910,278	$1,924,068
TOTAL ALL OUTLETS	$5,947,753	$5,947,753

(1) Total may not equal sum of components due to rounding.
Source: California State Board of Equalization, Taxable Sales in California.

The following table sets forth taxable transactions in the City for calendar years 2009 through 2012 and through the second quarter of 2013.

TABLE B-5
City of Sacramento
Taxable Transactions[1]
2009 through 2012 and Second Quarter 2013[2]
($ in thousands)

Type of Business	2009 Annual	2010 Annual	2011 Annual	2012 Annual	2013 2nd Quarter
Motor Vehicle and Parts Dealers	$ 285,724	$ 259,294	$ 282,738	$ 338,082	$ 186,102
Home Furnishings and Appliance Stores	245,042	232,782	223,797	203,543	98,543
Building Materials and Garden Equipment and Supplies	222,703	249,593	304,603	258,469	156,074
Food and Beverage Stores	272,980	282,078	291,616	295,149	144,524
Gasoline Stations	424,739	484,980	574,763	612,199	302,062
Clothing and Clothing Accessories Stores	314,415	319,555	331,037	339,108	159,335
General Merchandise Stores[3]	486,181	484,713	500,631	504,732	237,262
Food Services and Drinking Places	675,035	687,669	718,749	762,531	398,559
Other Retail Group[3]	444,823	455,716	475,042	487,314	246,287
Total Retail and Food Services	$3,371,643	$3,456,380	$3,702,978	$3,801,126	$1,928,749
All Other Outlets	$1,577,522	$1,491,067	$1,588,997	$1,670,192	$842,644
TOTAL ALL OUTLETS	$4,949,165	$4,947,448	$5,291,975	$5,471,319	$2,771,393

(1) Total may not equal sum of components due to rounding.
(2) Figures for 2013 are for the first and second quarters only. Annual figures are not available for 2013.
(3) Industry data for General Merchandise Stores was included in Other Retail Group.
Source: California State Board of Equalization, Taxable Sales in California.

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Major County Employers

The economic base of the County is diverse with no one sector being dominant. The top twenty-five (25) employers in the County are set forth in the following table.

TABLE B-6
County of Sacramento
Major Employers

Employer	Industry	Employees
State of California	State Government	69,469[(1)(2)]
Sacramento County	County Government	10,634
UC Davis Health System	Healthcare	9,985
Sutter Health Sacramento Sierra Region	Healthcare	6,507
Intel Corp.	Research/Develop Chips/Chipsets	6,000
Dignity Health	Healthcare	5,756
United States Government	Federal Government	5,750
Kaiser Permanente	Healthcare	5,696
Elk Grove Unified School District	Public School District	5,535[(2)]
San Juan Unified School District	Public School District	4,700
City of Sacramento	City Government	3,831[(2)]
Raley's Family of Fine Stores	Retail Grocery Chain	3,592
Sacramento City Unified School District	Public School District	3,320[(2)]
Los Rios Community College District	Community College District	3,147
California State University, Sacramento	University	3,023
Health Net of California	Healthcare	2,305
VSP Global	Vision Insurance	2,223
Wells Fargo & Co.	Financial Services	2,189
Folsom Cordova Unified School District	Public School District	1,850
Sacramento Municipal Utility District	Electric Utility	1,836
Apple Inc.	Computers and Related Products	1,800
GenCorp. Inc.	Aerospace and Defense	1,783
Sacramento Veterans Affairs Med Center	Healthcare	1,365
Delta Dental of California	Dental Insurance	1,190
Pacific Gas & Electric Co.	Gas and Electric Utility	1,037

(1) Includes full-time intermittent employees.
(2) Does not include substitutes, part-time, temporary or seasonal employees.
Source: Sacramento Business Journal, Sacramento County Employers, July 26, 2013.

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APPENDIX C

DISTRICT INFORMATION

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DISTRICT INFORMATION

The information in this Appendix C concerning the operations of the Robla School District (the "District") provides investors with certain information pertaining to the District's finances. Investors must read the entire Official Statement, including this Appendix C, to obtain information essential to making an informed investment decision. The Bonds are general obligation bonds of the District, secured and payable from ad valorem *property taxes assessed on taxable properties within the District. The Bonds are not an obligation of the County of Sacramento (the "County") or of the General Fund of the District (the "General Fund"). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" in the forepart of this Official Statement.*

DISTRICT GENERAL INFORMATION

District Boundaries

The District is located ten miles north of downtown Sacramento in the County in the State of California (the "State") and encompasses approximately ten square miles. The District serves a population of approximately 19,435 residents. The District was originally known as the Oak Grove School District and opened in 1896. The District's was established as an elementary school district, and its name was changed to Robla School District, in 1916. The District currently operates five elementary schools and one preschool. On November 13, 2014, the District granted a three-year charter to its first charter school, Paseo Grande Charter School which is expected to be operational in fiscal year 2015-16. As of January 26, 2015, there are no fiscally independent charter schools within the District's boundaries.

District Governance and Senior Management

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

Name	Office	Term Expires
Craig DeLuz	President	December 2018
Ken Barnes	Vice-President	December 2016
Kim Howard	Clerk	December 2016
Nuvia Cardona	Member	December 2018
Dennis Boyd	Member	December 2018

The Superintendent of the District (the "District Superintendent") is responsible for administering the affairs of the District in accordance with the policies of the District Board and for the supervision of the District's other key personnel. The District's Superintendent and certain key administrative personnel are as follows:

Ruben Reyes, Superintendent. Mr. Reyes has worked in various teaching and administrative capacities since joining the Robla School District in 1997. Prior to becoming the Superintendent of the School District in July 2010, Mr. Reyes had the opportunity to serve as a Program Improvement Coach, Principal of Main Avenue Elementary, English Learner Coordinator, and Reading Specialist. Before joining the Robla School District, Mr. Reyes served as the Principal of Westfield Village Elementary and Alyce Norman Elementary schools from 1992 to 1997. Mr. Reyes's educational achievements include a B.A. in Psychology and a Clear Multiple Subject Teaching Credential from the University of California, Davis, as well as a Clear Professional Administrative Services Credential from California State University, Sacramento.

Michael Henkel, Chief Business Official. Mr. Henkel is in his second year as Chief Business Official to the District. Prior to working in the District, he was the Audit Manager of the Sacramento area firm Goodell, Porter, Sanchez & Bright, LLP, Certified Public Accountants, specializing in the auditing of school districts and other local educational agencies. He is also the holder of Certified Fraud Examiner credentials (inactive) and received his Bachelor's Degree in Accounting from The Pennsylvania State University.

DISTRICT FINANCIAL INFORMATION

District Budget

General. State law requires that each school district maintain a balanced budget in each fiscal year, and that each district project beginning balances, revenues, expenditures, and ending balances for two subsequent years in order to provide, based upon the available information, that the district can project a positive, qualified or negative certification. See "– State Financial Accountability and Oversight Provisions" herein.

The CDE imposes a uniform budgeting and accounting format for school districts. Under current law, a school district governing board using a single adoption process must file with the county superintendent of schools (a "County Superintendent") a budget by June 30 immediately prior to each fiscal year. A school district using a dual adoption process must file a provisional budget with the County Superintendent by June 30 immediately prior to each fiscal year and revise and re-adopt a budget by September 8 of each fiscal year. After approval of the budget, the school district's administration may submit budget revisions for governing board approval during the fiscal year. The District currently uses a single adoption process.

School districts in the State must also conduct a review of their budgets according to certain standards and criteria established by the CDE. A written explanation must be provided for any element in the budget that does not meet the established standards and criteria. The school district superintendent or designee must certify that such a review has been conducted and the certification, together with the budget review checklist and a written narrative, must accompany the budget when it is submitted to the school district's county office of education. The balanced budget requirement makes appropriations reductions necessary to offset any revenue shortfalls, unless sufficient balances exist to cover the shortfall.

Furthermore, county offices of education are required to review school district budgets, complete a budget review checklist, and conduct an analysis of any budget item that does not meet the established standards and criteria. In addition, county offices of education are required to determine whether the adopted budget will allow the school district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments. Pursuant to the Education Code of the State (the "Education Code"), on or before August 15 of each year, the County Superintendent must approve, conditionally approve, or disapprove the adopted budget for each school district. A copy of the completed checklist, together with any comments or recommendations, must be provided to the school district and its governing board by November 1 of such year.

If the county office of education disapproves the school district's budget, the County Superintendent will submit to the governing board of the school district on or before August 15 of such year recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the County Superintendent can conditionally approve that budget. On or before September 8 of each year, the governing board of the school district must adopt a revised budget reflecting changes in its projected income or expenditures subsequent to July 1, and including any response to the recommendations of the County Superintendent, and must file the revised budget with the County Superintendent. If the County Superintendent disapproves the revised budget, he or she will call for the formation of a budget review committee. By November 30 of each year, every school district must have an adopted and approved budget, or the County Superintendent will impose a budget and report such school district to the Legislature of the State ("State Legislature") and the State Director of Finance.

Fiscal Year 2014-15 District Budget. The District Board adopted the District's budget for Fiscal Year 2014-15 on June 19, 2014 (the "Fiscal Year 2014-15 District Budget") and submitted the Fiscal Year 2014-15 District Budget to Sacramento County Office of Education ("SCOE") in a timely manner for review.

The Fiscal Year 2014-15 District Budget projected a General Fund beginning balance of $3,115,163.59 million, revenues of $19,535,662 million, total estimated expenditures of $18,738,715 million and an ending balance of $3,818,220.59 million. The District's estimated average daily attendance ("ADA") is 2,117 for Fiscal Year 2013-14 and is projected to be 2,118 for Fiscal Year 2014-15.

The District's Fiscal Year 2014-15 District Budget projects reserve levels of the General Fund of 18.64%, 11.79%, and 13.32%, in fiscal years 2014-15, 2015-16 and 2016-17, respectively.

The Fiscal Year 2014-15 District Budget includes certain assumptions and policies, including among other things, increases in attendance percentages relating to academy programs and the Positive Behaviors Intervention and Support program at each school and reductions in non-salary expenditures. Robla School District has in its LCAP, a plan to add two (2) enrichment teachers for the 2015-2016 fiscal year at a net cost of $70,000 per teacher.

The following Table C-1 summarizes the District's adopted budget for the General Fund, inclusive of Regular and Special Fund programs, for fiscal years 2011-12 through 2014-15, audited actuals for fiscal years 2011-12 and 2012-13, and unaudited actuals for fiscal year 2013-14.

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TABLE C-1
ROBLA SCHOOL DISTRICT
Adopted General Fund Budget and Statement of Changes in Fund Balance, Revenues, and Expenditures

	2011-12 Adopted Budget	2011-12 Audited Actuals	2012-13 Adopted Budget	2012-13 Audited Actuals	2013-14 Adopted Budget	2013-14 Audited Actuals	2014-15 Adopted Budget	2014-15 First Interim Budget
REVENUES								
Revenue Limit/LCFF Sources	$ 9,859,373	$ 9,968,518	$ 9,228,423	$10,191,364	$10,655,604	$14,261,312	$16,168,115	$16,428,255
Federal Sources	2,236,771	2,149,450	1,762,175	1,672,773	1,446,416	1,527,787	1,487,116	1,509,838
Other State Sources	2,680,852	2,862,694	2,666,928	2,753,192	3,090,208	1,184,280	511,772	674,186
Other Local Sources	1,089,031	1,357,411	1,338,493	1,543,536	1,343,115	1,519,918	1,368,659	1,395,159
TOTAL REVENUES[1]	**$15,866,027**	**$16,338,073**	**$14,996,019**	**$ 16,160,865**	**$16,535,343**	**$ 18,493,297**	**$ 19,535,662**	**$20,007,438**
EXPENDITURES								
Certificated Salaries	8,399,479	8,510,641	8,520,658	8,493,863	9,038,787	9,468,839	9,477,448	9,502,369
Classified Salaries	2,536,301	2,434,282	2,441,095	2,445,080	2,552,182	2,770,311	2,822,077	3,163,766
Employee Benefits	2,985,620	2,933,989	2,928,419	2,807,805	3,076,253	2,886,613	3,442,691	3,445,556
Books & Supplies	729,763	750,892	604,973	493,607	932,679	926,845	966,678	1,571,163
Services & Other Operating Expenses	1,449,464	1,423,003	1,286,654	1,334,454	1,390,969	1,347,610	1,979,311	2,033,817
Capital Outlay	55,895	138,238	25,527	257,522	175,527	72,661	128,527	78,527
Other Outgo	(17,152)	69,200	71,000	51,900	69,200	103,069	51,900	51,900
Transfers of Direct Support/Indirect Costs	-	-	-	-	-	-	(129,917)	(129,917)
TOTAL EXPENDITURES[1]	**16,139,370**	**16,260,245**	**15,878,326**	**$15,884,231**	**17,235,597**	**17,575,948**	**18,738,715**	**19,717,181**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(273,343)**	**77,828**	**(882,307)**	**276,634**	**(700,254)**	**917,349**	**796,947**	**290,257**
OTHER FINANCING SOURCES/(USES)								
Operating Transfers In	-	117,896	77,151	124,400	109,583	124,665	-	-
Operating Transfers Out	-	-	(70,000)	(200,000)	(25,556)	-	(93,890)	(177,963)
Contributions	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)[1]	**-**	**$17,896**	**7,151**	**(75,600)**	**84,027**	**124,665**	**(93,890)**	**(177,963)**
REVENUES OVER (UNDER) EXPENDITURES, NET OF OTHER FINANCIAL SOURCES (USES)	**($273,343)**	**$77,828**	**($875,156)**	**$201,034**	**($616,227)**	**$1,042,014**	**$703,057**	**$112,294**
Fund Balance as of July 1	**$3,223,357**	**$3,223,357**	**$3,419,081**	**$3,419,081**	**$3,620,115**	**$3,620,115**	**$3,115,163**	**$4,662,129**
Fund Balance as of June 30	**$2,950,014**	**$3,419,081**	**$2,543,925**	**$3,620,115**	**$3,003,888**	**$4,662,129**	**$3,818,220**	**$4,774,423**

Source: Robla School District.

State Financial Accountability and Oversight Provisions

State Assembly Bill 1200 ("A.B. 1200"), effective January 1, 1992, tightened the budget development process and interim financial reporting for public school districts, enhancing the authority of the offices of the County Superintendents and establishing guidelines for emergency State aid apportionments. State Assembly Bill 2756 ("A.B. 2756"), effective June 21, 2004, revised the existing provisions of A.B. 1200 and imposed additional financial accountability and oversight requirements on public school districts. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the two subsequent fiscal years. A positive certification is assigned to any school district that, based on then-current projections, will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that, based on then-current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district, based on then-current projections, which may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. Under the provisions of A.B. 2756, for school districts that are certified as qualified or negative, the County Superintendent is required to report to the State Superintendent of Public Instruction on the financial condition of the school district and his or her proposed remedial actions and to take all actions that are necessary to ensure that the school district meets its financial obligations. The county office of education reviews the interim reports and certifications made by school districts and may change a certification to qualified or negative if necessary. If a school district has a qualified or negative certification report in any year, the school district may not issue non-voter-approved debt instruments in that fiscal year or in the next succeeding fiscal year, unless the county office of education, using criteria from the State Superintendent of Public Instruction, determines repayment is probable.

The District has not had an adopted budget disapproved by the County Superintendent in the last ten years. In the last six years, the District received a qualified certification in fiscal year 2012-13 in connection with its first interim report, in fiscal year 2011-12 in connection with its second interim report, in fiscal year 2010-11 in connection with its second interim financial report, in fiscal year 2009-10 in connection with its second interim financial report, and in fiscal year 2007-08 in connection with its second interim financial report. The District has not received a qualified certification since fiscal year 2012-13 and has not received a negative certification since fiscal year 2007-08.

Significant Accounting Policies, System of Accounts and Audited Financial Statements

The CDE imposes uniform financial reporting and budgeting requirements for K-12 school districts. Financial transactions are accounted for in accordance with the California School Accounting Manual. The District uses fund accounting and maintains governmental funds, proprietary funds and fiduciary funds. The District's General Fund is the chief operating fund of the District. For a description of the other major funds of the District, see the description thereof contained in APPENDIX D – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2013-14." Note 1 to such audited financial statements sets forth significant accounting policies that the District follows. The District is required to file its audit report for the preceding fiscal year with the State Controller's Office, the CDE and the SCOE by December 15.

In addition to the significant accounting policies set forth in the District's audited financial statements for the fiscal year 2013-14 included in APPENDIX D, the District has implemented Governmental Accounting Standards Board Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions" ("GASB 54") which was developed in order for governments to classify amounts consistently regardless of the fund type or column in which they are presented. Pursuant to GASB 54, the fund balances will be designated as one of the following five categories: (i) nonspendable fund balance which includes amounts that are not in a spendable form or are required to be maintained intact, (ii) restricted fund balance which includes amounts constrained to specific purposes by their providers, through constitutional provisions or by enabling legislation; (iii) committed fund balance which includes amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint; (iv) assigned fund balance which includes amounts a government intends to use for a specific purpose whereby the intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; and (v) unassigned fund balance which includes amounts that are available for any purpose; these amounts are reported only in the General Fund.

Crowe Horwath, LLP, Sacramento, California, served as independent auditor (the "Independent Auditor") to the District for its audited financial statements for Fiscal Year 2013-14. See APPENDIX D – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2013-14" attached to this Official Statement. In connection with the inclusion of the financial statements and the report of the Independent Auditor thereon in APPENDIX D to this Official Statement, the District did not request the Independent Auditor to, and the Independent Auditor has not undertaken to, update its report or take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Independent Auditor with respect to any event subsequent to the date of its report.

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The following Table C-2 sets forth the District's General Fund revenues, expenditures and changes in fund balances for the Fiscal Years 2009-10 through 2013-14.

TABLE C-2
ROBLA SCHOOL DISTRICT
General Fund Revenues, Expenditures and Changes in Fund Balances
Fiscal Years 2009-10 through 2013-14

	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14
REVENUES					
Revenue Limit/LCFF Sources	$ 9,102,984	$ 9,760,367	$ 9,968,518	$10,191,364	$14,261,312
Federal Sources	2,223,070	1,956,868	2,149,450	1,672,773	1,527,787
Other State Sources	2,695,851	2,704,327	2,862,694	2,753,192	1,184,280
Other Local Sources	1,398,846	1,306,987	1,357,411	1,543,536	1,519,918
TOTAL REVENUES[1]	**$15,420,751**	**$15,728,549**	**$16,338,073**	**$ 16,160,865**	**$ 18,493,297**
EXPENDITURES					
Certificated Salaries	8,845,814	8,641,597	8,510,641	8,493,863	9,468,839
Classified Salaries	2,376,684	2,428,100	2,434,282	2,445,080	2,770,311
Employee Benefits	2,807,863	2,801,816	2,933,989	2,807,805	2,886,613
Books & Supplies	474,313	509,213	750,892	493,607	926,845
Services & Other Operating Expenses	1,202,042	1,349,918	1,423,003	1,334,454	1,347,610
Capital Outlay	189,277	97,899	138,238	257,522	72,661
Other Outgo	38,925	72,000	69,200	51,900	103,069
Transfers of Direct Support/Indirect Costs	-	-	-	-	-
TOTAL EXPENDITURES[1]	**15,934,918**	**15,900,543**	**16,260,245**	**15,884,231**	**17,575,948**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(514,167)**	**(171,994)**	**$77,828**	**276,634**	**917,349**
OTHER FINANCING SOURCES/(USES)					
Operating Transfers In	593,557	573,568	117,896	124,400	124,665
Operating Transfers Out		-	-	(200,000)	-
Contributions		-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)[1]	**593,557**	**573,568**	**117,896**	**(75,600)**	**124,665**
REVENUES OVER (UNDER) EXPENDITURES, NET OF OTHER FINANCIAL SOURCES (USES)	**$79,390**	**$401,574**	**$77,828**	**$201,034**	**$1,042,014**
Fund Balance as of July 1	**$2,742,393**	**$2,821,783**	**$3,223,357**	**$3,419,081**	**$3,620,115**
Fund Balance as of June 30	**$2,821,783**	**$3,223,357**	**$3,419,081**	**$3,620,115**	**$4,662,129**

(1) Totals may not equal sum of components due to rounding.
Source: Robla School District.

Developer Fees

The District maintains a fund separate and apart from the General Fund to account for developer fees collected by the District. Residential development is assessed a fee of $1.23 per square foot and a fee of $0.19 per square foot of commercial/industrial construction. The following Table C-3 sets forth the total developer fees collected during fiscal years 2009-10 through 2013-14, and the projected developer fees to be collected during fiscal year 2014-15.

TABLE C-3
ROBLA SCHOOL DISTRICT
Developer Fees
Fiscal Years 2009-10 through 2014-15

Fiscal Year	Total Developer Fees Collected
2009-10	$ 6,724.98
2010-11	9,118.59
2011-12	3,110.71
2012-13	19,318.40
2013-14	62,310.00
2014-15[1]	25,277.00

[1] Projected.

Source: Robla School District.

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Redevelopment Revenue

The District has received pass-through tax revenues from the Sacramento Housing and Redevelopment Agency. The receipt of redevelopment revenues may be reduced or eliminated due to the elimination of redevelopment agencies pursuant to State law. See "STATE FUNDING OF EDUCATION – Litigation Regarding Redevelopment Agency Revenues and Education Expenditures" herein. The following Table C-4 sets forth the revenues received during fiscal years 2009-10 through 2013-14, and the projected revenues to be collected during fiscal year 2014-15.

TABLE C-4
ROBLA SCHOOL DISTRICT
Redevelopment Revenue
Fiscal Years 2009-10 through 2014-15

Fiscal Year	Redevelopment Revenue Received by the District
2009-10	$14,525
2010-11	39,714
2011-12	26,652
2012-13	110,334
2013-14	256,565
2014-15[1]	78,000

[1] First Interim .
Source: Robla School District.

District Employees

General. As of July 1, 2014, the District employed 136 full-time certificated employees and 7 part-time certificated employees, and 57 classified full-time employees and 69 classified part-time employees. These employees, except management and some part-time employees, are represented by the bargaining units as follows. The following Table C-5 sets forth the number of employees represented by and expiration dates of the labor agreements with each of the District's employee bargaining units. The agreement with the Robla Teachers Association ("RTA") expired on June 20, 2014. The District is currently in negotiations with representatives of the RTA. Negotiations between the District and the California School Employees association are unsettled and have been declared an impasse. This contract is scheduled to expire on June 30, 2016.

TABLE C-5
ROBLA SCHOOL DISTRICT
Employee Bargaining Units

Employee Bargaining Unit	No. of Employees	Contract Expiration Date
Robla Teachers Association	131.4	June, 2014
California School Employees Association	92.8	June, 2016

Source: Robla School District.

Employment Status Notices. Pursuant to the Education Code, the District must give written notice to a certificated employee by the March 15 (each, a "March 15 Notice") prior to the commencement of the next school year if such certificated employee is to be released, demoted or reassigned for that school year. If such certificated employee is in a position that requires an administrative or supervisory credential, the District must provide notice to such certificated employee not less than 45 days prior to the effective date of a change in employment status. The District did not issue any employment status notices to certificated, classified or management personnel. In the event the District must lay off a classified employee, the District must give notice to the affected employee not less than 45 days prior to the effective date of layoff.

On March 22, 2012, the State Legislative Analyst's Office (the "LAO") released a report entitled "A Review of the Teacher Layoff Process in California" which provided an overview by the LAO of the existing layoff process in the State, an evaluation of process, and recommendations for improvement. The LAO has recommended that the State modify the notice deadlines to link them with the availability of State and local fiscal information. Further, the LAO recommended that the State give school districts additional flexibility when making employment decisions beyond seniority. The District cannot predict at this time whether the State Legislature and the Governor will adopt any of the suggestions provided by the LAO or the extent to which such proposals, if adopted, would impact the District's finances or layoff process.

Retirement Systems

The information set forth below regarding CalSTRS and CalPERS has been obtained from publicly available sources and has not been independently verified by the District, the Underwriter or the Financial Advisor, is not guaranteed as to the accuracy or completeness of the information and is not to be construed as a representation by the District, the Underwriter or the Financial Advisor. Furthermore, the summary data below should not be read as current or definitive, as recent gains or losses on investments made by the retirement systems generally may have changed the unfunded actuarial accrued liabilities stated below.

The District currently participates in the California State Teachers' Retirement System ("CalSTRS") and the California Public Employees' Retirement System ("CalPERS"). For additional information regarding the District's pension and retiree health care programs and costs, see the District's financial statements for fiscal year 2013-14 contained in APPENDIX D – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2013-14" attached hereto.

The assets and liabilities of the funds administered by PERS and STRS, as well as certain other retirement funds administered by the State, are included in the financial statements of the State for the year ended June 30, 2013, as fiduciary funds. Both CalPERS and CalSTRS are operated on a statewide basis and, based on publicly available information, both CalSTRS and CalPERS have unfunded liabilities in the tens of billions of dollars. Additional funding of CalSTRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282. The amounts of the pension/award benefit obligation (CalPERS) or unfunded actuarially accrued liability (CalPERS and CalSTRS) will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution.

STRS and PERS each issue separate comprehensive annual financial reports that include financial statements and required supplementary information. Copies of the STRS annual financial report may he obtained from STRS, P.O. Box 15275, Sacramento, California 95851-0275 and copies of the PERS annual financial report and actuarial valuations may be obtained from the PERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information presented in these reports is not incorporated by reference in this Official Statement.

Unlike typical defined benefit programs, however, neither the STRS employer nor the State contribution rate varies annually to make up funding shot-flails or assess credits for actuarial surpluses. However, in recent years, the combined employer, employee and State contributions to STRS have not been sufficient to pay actuarially required amounts. As a result, and due to significant investments losses, the unfunded actuarial liability of STRS has increased significantly and is expected to continue to increase in the absence of legislation changing required employer or employee contributions. The District is unable to predict what the STRS program liabilities will be in the future, or whether the State Legislature may elect to require the District to make larger contributions in the future.

STATE OF CALIFORNIA
ACTUARIAL VALUE OF STATE RETIREMENT SYSTEMS

Name of Plan	Excess of Actuarial Value of Assets Over Actuarial Accrued Liabilities (Unfunded Actuarial Accrued Liability)
Public Employees' Retirement Fund (CalPERS)[1]	$(14.6) billion[2]
State Teachers' Retirement Fund Defined Benefit Program (STRS)[3]	$(70.95) billion[2]

(1) As of June 30, 2013, the PERS provided pension benefits to 1,104,237 active and inactive program members and 574,759 retirees, beneficiaries, and survivors.
(2) Figure as of June 30, 2013; schools portion only.
(3) As of June 30, 2013, the STRS Defined Benefit Program had approximately 599,219 active and inactive program members and 269,274 benefit recipients.
Source: PERS State and Schools Actuarial Valuation and STRS Defined Benefit Program Actuarial Valuation.

On August 28, 2012, Governor Brown and the State Legislature reached agreement on a new law that will reform pensions for State and local government employees. AB 340, which was signed into law on September 12, 2012, established the California Public Employees' Pension Reform Act of 2013 ("PEPRA") which governs pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA, among other things, caps pensionable salaries at the Social Security contribution and wage base, which is $110,100 for 2012, or 120% of that amount for employees not covered by Social Security, increases the retirement age by two years or more for all new public employees while adjusting the retirement formulas, requires state employees to pay at least half of their pension costs, and also requires the calculation of benefits on regular, recurring pay to stop income spiking. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays and purchases of service credit. PEPRA applies to all State and local public retirement systems, including county and special district retirement systems. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law. Although the District anticipates that PEPRA would not increase the District's future pension obligations, the District is unable to determine the extent of any impact PEPRA would have on the District's pension obligations at this time. Additionally, the District cannot predict if PEPRA will be challenged in court and, if so, whether any challenge would be successful.

California State Teachers' Retirement System. CalSTRS is a defined benefit plan that covers all full-time certificated District employees and some classified District employees, which are District employees employed in a position that does not require a teaching credential from the State.

CalSTRS is operated on a Statewide basis and, based on publicly available information, has substantial unfunded liabilities. Additional funding of CalSTRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282.

In recent years, the combined employer, employee and State contributions to CalSTRS have not been sufficient to pay actuarially required amounts. As a result, and due to significant investments losses, the unfunded actuarial liability of CalSTRS has increased significantly. The District is unable to predict what the CalSTRS program liabilities will be in the future.

The following Table C-6 sets forth the District's regular annual contributions to CalSTRS for fiscal years 2010-11 through 2013-14, and the District's projected contribution for fiscal year 2014-15. The District has always paid all required CalSTRS annual contributions.

TABLE C-6
ROBLA SCHOOL DISTRICT
Annual Regular CalSTRS Contributions
Fiscal Years 2010-11 through 2014-15

Fiscal Year	District Contributions
2010-11	$789,690
2011-12	788,931
2012-13	772,355
2013-14	831,970
2014-15[1]	928,790

[1] Projected.
Source: Robla School District.

Assembly Bill ("A.B. 1469"), enacted in connection with the adoption of the 2014-15 State Budget, is projected to fund the CalSTRS Defined Benefit Program fully in 32 years through shared contribution increases among the program's three contributors – CalSTRS members, employers and the State. Defined Benefit Program contribution rate increases for all contributing parties will be incrementally phased-in over the next several years, with the first increases having taken effect July 1, 2014. Employer contribution rates, including those of the District, will increase through fiscal year 2020-21 as shown in the following table. Beginning fiscal year 2021-22, employer contribution rates will be set each year by the CalSTRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

		A.B. 1469 Increases	
Effective Date	**Prior Rate**	**Increase**	**Total**
July 1, 2014	8.25%	0.63%	8.88%
July 1, 2015	8.25	2.48	10.73
July 1, 2016	8.25	4.33	12.58
July 1, 2017	8.25	6.18	14.43
July 1, 2018	8.25	8.03	16.28
July 1, 2019	8.25	9.88	18.13
July 1, 2020	8.25	10.85	19.10

California Public Employees' Retirement System. CalPERS is a defined benefit plan that covers classified personnel who work four or more hours per day. Benefit provisions are established by State legislation in accordance with the Public Employees' Retirement Law. The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make to CalPERS. Accordingly, there can be no assurances that the

District's required contributions to CalPERS will not significantly increase in the future above current levels.

Active plan members are required to contribute 7% (miscellaneous) or 9% (safety) of their monthly salary and the District is required to contribute based on an actuarially determined rate. The actuarial methods and assumptions used for determining the rates are based on those adopted by Board of Administration of CalPERS.

The following Table C-7 sets forth the District's regular annual contributions, inclusive of employee contributions paid by the District, to CalPERS for fiscal years 2010-11 through 2013-14 and the District's projected contribution for fiscal year 2014-15. The District has always paid all required CalPERS annual contributions.

TABLE C-7
ROBLA SCHOOL DISTRICT
Annual CalPERS Regular Contributions[1]
Fiscal Years 2010-11 through 2014-15

Fiscal Year	District Contributions
2010-11	$321,174
2011-12	318,924
2012-13	335,713
2013-14	374,770
2014-15[2]	325,053

(1) Includes Regular Contributions and employee contributions paid by the District and "PERS Recapture." Pursuant to State law, the State is allowed to recapture the savings corresponding to a lower CalPERS rate by reducing a school district's revenue limit apportionment by the amount of the school district's CalPERS savings in that year.
(2) Projected.
Source: Robla School District.

At the CalPERS Board of Administration (the "BoA") meeting held on February 18, 2014, the BoA adopted new actuarial assumptions that take into account public employees living longer and an asset allocation mix. To assist in preparing and planning for these changes, the BoA adopted staff's recommendation for school districts to first reflect the change in assumption in fiscal year 2016-17 with the cost spread over twenty years with the increases phased in over the first five years and decreased over the last five years.

CalPERS is operated on a Statewide basis and, based on publicly available information, has unfunded liabilities. The amounts of the pension/award benefit obligation or unfunded actuarially accrued liability will vary from time to time depending upon actuarial assumptions, and actual rates of return on investments, salary scales, and levels of contribution

Other Post-Employment Benefits

In addition to employee health care costs, the District provides post-employment health care benefits in accordance with collective bargaining agreements. On June 21, 2004, the Governmental Accounting Standards Board released its Governmental Accounting Standards Board Statement No. 45 - "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" ("GASB 45"). GASB 45 establishes standards for measuring, recognizing and disclosing post-employment healthcare as well as other forms of post-employment benefits, such as life insurance, when provided separately from a pension plan expense or expenditures and related liabilities in the financial reports of state and local governments (such other post-employment benefits are referred to herein as "OPEB"). Under GASB 45, governments will be required to: (i) measure the cost of benefits, and recognize other post-employment benefits expense, on the accrual basis of accounting in periods that approximate employees' years of service; (ii) provide information about the actuarial liabilities for promised benefits associated with past services and whether, or to what extent, those benefits have been funded; and (iii) provide information useful in assessing potential demands on the employer's future cash flows. The District's post-employment health benefits fall under GASB 45. GASB 45 reporting requirements for the District became effective during fiscal year 2008-09.

The core requirement of GASB 45 is that at least biennially an actuarial analysis must be prepared with respect to projected benefits ("Plan Liabilities"); against this would be measured the actuarially determined value of the related assets (the "Plan Assets"). To the extent that Plan Liabilities exceeded Plan Assets, then similar to the actuarial and accounting practices for pension plan liabilities, the difference would be amortized over a period which could be up to 30 years. The method of financial reporting for OPEB costs would be similar to financial reporting for pension plan normal costs and unfunded actuarial accrued liability. The requirements that GASB 45 imposes on the District only affect the District's financial statements and would not impose any requirements regarding the funding of any OPEB plans.

The District's OPEB consists of postemployment benefits of health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are not offered as part of a pension plan; and long-term disability insurance for employees. Employees who retire from the District may be eligible for OPEB if they have retired from active service prior to July 1, 1993, are 55 years of age or older, and have served at the District for 10 or more years. The District's "Robla School District GASB 45 Actuarial Valuation Report" respecting fiscal year 2013-14 of the District (the "Postemployment Valuation") states that as of the November 1, 2014 valuation date there were approximately 194 active members and 16 retirees and beneficiaries who met the eligibility requirements for these benefits. The District currently funds these benefits on a pay-as-you-go basis, paying an amount in each fiscal year equal to the benefits distributed or disbursed in that fiscal year.

The principal actuarial assumptions used in the Postemployment Valuation were (i) Actuarial Cost Method: Unit Credit Cost; (ii) Amortization Method: Closed, Level Dollar; (iii) Remaining Amortization Period: 30 years; (iv) Discount Rate: 4.5%; (v) Healthcare Rate Increase: 9.00% long-term average increase for all healthcare benefits, which is assumed to trend downward to an ultimate 5.00% increase for 2014 and subsequent years; (vi) Mortality assumptions determined using various projections; (vii) Morbidity: Medical Claims expected to increase 2% on average, as participants age; (viii) Salary scale: no salary increase rate is assumed because there are no liabilities dependent on salary; (ix) Medical Coverage: It is assumed that new retirees select coverage, consistent with their active election, and are assumed to participate in Medicare; and (x): Miscellaneous: rates of mortality, retirement, termination.

The Postemployment Valuation sets forth the District's actuarial valuation of post-employment medical benefits as of June 30, 2014 for its employees and retirees. The Postemployment Valuation sets forth the liabilities of the post-employment benefit plan based upon Governmental Accounting Standards Board Statement Nos. 43 and 45. As of June 30, 2014, the District had zero assets relating to the cost of providing post-employment benefits. The District's unfunded actuarial accrued liability was $2,088,637. Pursuant to GASB 45, OPEB expense in an amount equal to annual OPEB cost is recognized in government-wide financial statements on an accrual basis. Net OPEB obligations, if any, including amounts associated with under- or over-contributions from governmental funds, are to be displayed as liabilities (or assets) in government-wide financial statements.

The Postemployment Valuation recommended an annual required contribution ("ARC") of $238,093. The Postemployment Valuation projects that the District's employer contribution for OPEB as of November 1, 2014, would be approximately $77,053. Table C-8 on the following page sets forth the District's funding of OPEB for fiscal years 2009-10 through 2013-14, and the projected expenditure for OPEB for fiscal year 2014-15.

TABLE C-8
ROBLA SCHOOL DISTRICT
Expenditures for Other Post-Employment Benefits
Fiscal Years 2009-10 through 2014-15

Fiscal Year	Amount
2009-10	$85,769
2010-11	76,504
2011-12	160,528
2012-13	137,730
2013-14	127,969
2014-15[1]	133,200

[1] Projected.
Sources: Robla School District.

Table C-9 below reflects the District's ARC, annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for Fiscal Years 2009-10 through 2013-14.

TABLE C-9
ROBLA SCHOOL DISTRICT
Annual Required Contribution, Annual OPEB Cost and Net OPEB Obligation
Fiscal Years 2009-10 through 2013-14

Fiscal Year ended June 30	Annual Required Contribution	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	$223,236	$223,236	38%	$269,082
2011	224,025	224,025	34%	416,603
2012	178,663	178,663	90%	434,738
2013	178,178	137,730	67%	501,583
2014	178,178	208,633	61%	582,257

[1] Estimated.
Source: Robla School District.

The District has reviewed and is expected to continue to review the Postemployment Valuation, in conjunction with the District's obligations under its post-employment benefit plan, to determine, among other things, its course of action with respect to post-employment benefit contributions and what other post-employment benefit liability must be reported. In the opinion of District management, any further increase in the District's unfunded actuarial accrued liability as described in the Postemployment Valuation will not adversely affect the District's ability to pay debt service on its General Fund obligations or general obligation bonds, including the Bonds described in the forepart of this Official Statement, which are payable from *ad valorem* property taxes.

For additional information regarding the District's OPEB, see Note 8 to the District's audited financial statements contained in APPENDIX D – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2013-14" attached to this Official Statement. Information regarding the District's OPEB in this APPENDIX C reflects information as of the Postemployment Valuation.

Insurance

The District maintains insurance with School Insurance Authority of Sacramento County ("SIA"), with such retentions and other terms providing coverages for property damage, fire and theft, general public liability and workers' compensation as the District believes are adequate, customary and comparable with such insurance maintained by similarly situated school districts. In addition, based upon prior claims experience, the District believes that the recorded liabilities for insured claims are adequate.

For additional information regarding SIA, see Note 9 to the District's financial statements contained in APPENDIX D – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2014" to this Official Statement.

District Debt

General Obligation Bonds. Pursuant to Sections 15102 and 15268 of the Education Code, the District's bonding capacity for general obligation bonds is 1.25% of taxable property value in the District. The District is currently in the process of petitioning the State Board of Education to increase its statutory debt limit. The waiver will not affect the issuance of the Series 2015A Bonds.

The taxable property value in the District for Fiscal Year 2013-14 is approximately $ 2.1 billion. As of June 30, 2014, the District had approximately $21,740,103 million in aggregate principal amount of general obligation bonds outstanding.

The District may not issue general obligation debt without voter approval. The District has issued several series of general obligation bonds pursuant to a $32 million general obligation bond authorization approved by voters in the District in June 1992 (the "1992 Authorization"). There is $2,463,064 million of remaining bond capacity that may be issued in connection with the 1992 Authorization.

The most recent bond authorization for $29.8 million was approved by the voters in November 2014 (the "Measure K Authorization"). The Bonds are the first issue of bonds under the Measure K Authorization.

The following Table C-10 sets forth the general obligation bonds and general obligation refunding bonds issued by the District in connection with the 1992 Authorization and Measure K Authorizations prior to the issuance of the Bonds described in the forepart of this Official Statement.

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TABLE C-10
ROBLA SCHOOL DISTRICT
1992 Authorization and Measure K Authorization

Bonds Issued	Initial Aggregate Principal Amount	Outstanding Principal Amount as of December 31, 2013	Date of Issue
1992 General Obligation Bonds, Series C 2000	$ 3,799,986	$2,724,986	June 1, 2000
1992 General Obligation Bonds, Series D 2003	2,999,956	2,999,956	December 13, 2003
1992 General Obligation Bonds, Refunding Series 2003	4,070,000	1,220,000	December 3, 2003
1992 General Obligation Bonds, Series 2007 E-Final	6,799,940	6,799,940	February 8, 2007
1992 General Obligation Bonds, Series 2011 F	3,000,000	3,000,000	December 29, 2011
1992 General Obligation Bonds, Series 2011 G	4,860,221	4,860,221	December 29, 2011
1992 General Obligation Bonds, Series 2011 H	135,000	135,000	December 29, 2011
TOTAL	$22,815,103	$21,740,103	

Source: Robla School District.

Tax and Revenue Anticipation Notes. The District has issued tax and revenue anticipation notes to fund shortfalls due to timing differences between receipts and disbursements. The District did not issue any tax and revenue anticipation notes in Fiscal Year 2013-14 and does not anticipate issuing any tax and revenue anticipation notes in Fiscal Year 2014-15.

Future Financings

Prior to the issuance of the Bonds, the District had approximately $29,800,000 million authorized and unissued general obligation bond authorization remaining under the Measure K Authorization.

The District has issued majority of the principal amount of $32 million approved under the 1992 Authorization; however, there is a bonding capacity of $2,463,064 million remaining under the 1992 Authorization. The issuances of additional series of general obligation bonds will depend upon, among other things, the District's need for funds and the projected assessed valuation within the District. See "DISTRICT FINANCIAL INFORMATION – District Debt – *General Obligation Bonds*" herein. As described in the text of each of the ballots of Measure K, the District Board does not guarantee that the respective bonds authorized and issued under the Measure K Authorizations will provide sufficient funds to allow for the completion of all potential projects listed in connection with said measures. The District may issue refunding bonds to refund outstanding general obligation bonds from time to time, depending on market conditions.

The District may, from time to time, approve funding for additional capital projects through the execution and delivery of certificates of participation. In addition, the District may issue tax and revenue anticipation notes to fund the General Fund in the event it projects shortfalls due to timing differences between receipts and disbursements.

STATE FUNDING OF EDUCATION

General

Public school district revenues consist primarily of guaranteed State moneys, *ad valorem* property taxes and funds received from the State and federal government in the form of categorical aid, which are amounts restricted to specific categories of use, under various ongoing programs. All State apportionment ("State Aid") is subject to the appropriation of funds in the State's annual budget. Decreases in State revenues may affect appropriations made by the State Legislature to the District. See "DISTRICT FINANCIAL INFORMATION" herein.

Historically, approximately 80% of the District's annual General Fund revenues have consisted of payments from or under the control of the State. Payments made to K-12 public schools and public colleges and universities are priority payments for State funds and are expected to be made prior to other State payment obligations. Although the State Constitution protects the priority of payments to K-12 schools, college and universities, it does not protect the timing of such payments and other obligations may be scheduled and have been scheduled to be paid in advance of those dates on which payments to school districts are scheduled to be made.

On June 27, 2013, the State adopted a new method for funding school districts commonly referred to as the "Local Control Funding Formula" (the "LCFF"). The LCFF will be implemented in stages, beginning in fiscal year 2013-14 and will be fully implemented in fiscal year 2020-21. See "– Local Control Funding Formula" below for more information. Prior to adoption of the LCFF, the State used a revenue limit funding system, described below under "– Revenue Limit."

Local Control Funding Formula

Effective in fiscal year 2013-14, the State established the LCFF, a new system for funding school districts, charter schools and county offices of education. The LCFF replaces the revenue limit funding system, as well as many categorical programs. The LCFF distributes State resources to schools through a guaranteed base funding grant per unit of ADA (a "Base Grant"). The Base Grants per unit of ADA for each grade span are: (i) $6,845 for grades K-3; (ii) $6,947 for grades 4-6; (iii) $7,154 for grades 7-8; and (iv) $8,289 for grades 9-12. Implementation of the LCFF is expected to take several years, ending in fiscal year 2020-21. An annual transition adjustment is calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. Beginning in fiscal year 2014-15, the Base Grants are adjusted for COLAs by applying the implicit price deflator for government goods and services. Following full implementation of the LCFF, the provision of COLAs will be subject to appropriation for such adjustment in the annual State budget.

The Base Grants for grades K-3 are subject to adjustments of 10.4% to cover the costs of class size reduction. Following full implementation of the LCFF, and unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. The Base Grants for grades 9-12 are subject to adjustments of 2.6% for the provision of career technical education.

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; if the school district has students with both limited English proficiency and eligibility for reduced price meals, for instance, such students will not be duplicated for purposes of determining the additional funding grants. Foster students automatically qualify for free or reduced priced meals. A supplemental grant add-on (each, a "Supplemental Grant") is authorized for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts' percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold. The following table shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2012-13 and 2013-14.

TABLE C-11
ROBLA SCHOOL DISTRICT
ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2012-13 and 2013-14

	Average Daily Attendance			Enrollment[2]	
Fiscal Year	K-3	4-6	Total ADA	Total Enrollment	% of EL/LI Enrollment
2012-13	1,179	787	2,016	2,119	92.31
2013-14	1,246	867	2,115	2,201	90.27

(1) Reflects P-2 ADA.
(2) As of October report submitted to the California Basic Educational Data System. For purposes of calculating supplemental funding grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI students will be expressed solely as a percentage of its total fiscal year 2013-14 total enrollment.
Source: The District.

The LCFF provides for a permanent economic recovery target ("ERT") add-on for school districts that would have received greater funding levels under the revenue limit system. The ERT is equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. The ERT add-on will be paid incrementally over the implementing period of the LCFF.

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

Beginning July 1, 2014, school districts are required to develop a three-year Local Control and Accountability Plan (each, a "LCAP"). County Superintendent of Schools and the State Superintendent of Public Instruction will review and provide support to the districts and county offices of education under their jurisdiction. In addition, the fiscal year 2013-14 State Budget created the California Collaborative for Education Excellence (the "Collaborative") to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. The State Superintendent of Public Instruction may direct the Collaborative to provide additional assistance to any district, county office, or charter school. For those entities that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction has authority to make changes to the district or county office's local plan. For charter schools, the charter authorizer will be required to consider revocation of a charter if the Collaborative finds that the inadequate performance is so persistent and acute as to warrant revocation. The State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

Revenue Limit

School districts in the State have historically received most of their revenues under a formula known as the "revenue limit." Generally, 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 to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. The revenue limit system of funding has been replaced by the LCFF. A description of the revenue limit system is included herein as the District has historically received financial assistance from the State pursuant to this method of appropriations.

Each school district's revenue limit, which was funded by State moneys and local *ad valorem* property taxes from the general 1% *ad valorem* property tax levy, was allocated based on the ADA of each school district for either the current or preceding school year. Generally, State Aid to a school district amounted to the difference between the school district's revenue limit and the school district's local property tax allocation from the general 1% *ad valorem* property tax levy. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS" herein.

Average Daily Attendance

Table C-12 sets forth the District's revenue limit per unit of ADA from fiscal year 2009-10 through fiscal year 2012-13, and the ADA for fiscal years 2013-14 and 2014-15. ADA is reported by school districts each year in April, July and December.

TABLE C-12
ROBLA SCHOOL DISTRICT
K-12 Revenue Limit Per Unit of Average Daily Attendance
Fiscal Years 2009-10 to 2012-13 and
Average Daily Attendance for Fiscal Years 2013-14 and 2014-15

Fiscal Year	Second Period (P-2) ADA	Annual Change in ADA	Funded Base Revenue Limit Per ADA
2009-10	1,899	5	4806.22
2010-11	1,919	2	5091.47
2011-12	1,976	1	5042.24
2012-13	2,019	3	5055.24
2013-14	2,115	2	N/A(2)
2014-15(1)	2,115	0	N/A(2)

(1) Projected.
(2) The District now receives State funding under the LCFF. The Base Grant in 2013-14 is $8,416.
Sources: Robla School District.

The following Table C-13 sets forth the deficit factor and cost of living adjustment ("COLA") from fiscal years 2009-10 through 2012-13, and the COLA for fiscal year 2013-14:

TABLE C-13
ROBLA SCHOOL DISTRICT
Deficit Factor and Cost of Living Adjustment
Fiscal Years 2009-10 to 2013-14

Fiscal Year	Deficit Factor	Cost of Living Adjustment
2009-10	18.355%	4.25%(1)
2010-11(2)	17.963	(0.39)(2)
2011-12	20.602(3)	2.24
2012-13	22.272	3.24
2013-14	N/A(4)	1.57

(1) The 4.25% increase of the statutory COLA for Fiscal Year 2009-10 is offset is by a deficit factor of 18.355% on the base revenue limit, which results in a net funded COLA of a negative 7.64%.
(2) The 0.39% decrease of the statutory COLA for Fiscal Year 2010-11 is eliminated by the adoption of a deficit factor less than the deficit factor in Fiscal Year 2009-10.
(3) Pursuant to SB 81, the deficit factor for Fiscal Year 2011-12 was increased to 20.602% from 19.754% which was set forth in the 2011-12 State Budget Act.
Source: Robla School District.

Proposition 1A (SCA 4) ("Proposition 1A") approved by the voters in November 2004, provided that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibited the State from shifting to schools or community colleges any share of *ad valorem* property tax revenues allocated from the 1% levy to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of *ad valorem* property tax revenues among local governments within a county must be approved by two-thirds of both houses of the State Legislature. Proposition 1A provided, however, that beginning in fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues from the general 1% *ad valorem* property tax levy, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe State financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met.

Notwithstanding the aforementioned shifts in property tax revenues in prior years, certain levels of funding are guaranteed as described in "– Proposition 98" below. *Ad valorem* property taxes levied to pay debt service on the District's general obligation bonds are not subject to the shifts described above for *ad valorem* property taxes provided from the 1% levy. Further, the State's ability to initiate future exchanges and shifts of funds may be limited by Proposition 22. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 22" herein.

Proposition 30

The passage of the Governor's November Tax Initiative ("Proposition 30") on November 6, 2012, resulted in an increase in the State sales tax by a quarter-cent for four years and, for seven years, and raises taxes on individuals after their first $250,000 in income and on couples after their first $500,000 in earnings. These increased tax rates affect approximately one percent of California personal income tax filers and will be in effect until the conclusion of the 2018 tax year. The State Office of Legislative Analyst (the "LAO") estimates that, as a result of Proposition 30, additional state tax revenues of about $6 billion annually from fiscal years 2012-13 through 2016-17 will be received by the State with lesser amounts of additional revenue available in fiscal years 2017-18, and 2018-19. Proposition 30 also places into the State Constitution certain requirements related to the transfer of certain State program responsibilities to local governments, mostly counties, including incarcerating certain adult offenders, supervising parolees, and providing substance abuse treatment services.

Proposition 30 will also provide additional tax revenues aimed at balancing the State's budget through fiscal year 2018-19, providing several billion dollars annually through fiscal year 2018-19 available for purposes including funding existing State programs, ending K-14 education payment delays, and paying other State debts. Future actions of the State Legislature and the Governor will determine the use of these funds. According to the LAO, revenues raised by Proposition 30 could be subject to multibillion-dollar swings, above or below the revenues projections, due to the majority of the additional revenue coming from the personal income tax rate increases on upper-income taxpayers. These fluctuations in incomes of upper-income taxpayers will impact potential State revenue and could complicate State budgeting in future years. After the tax increases expire, the loss of the associated tax revenues could create additional budget pressure in subsequent years.

State Cash Management Plan

Pursuant to State law, the State defers a portion of the principal apportionment payments from the general fund of the State to school and community college districts within a fiscal year ("Intra-Fiscal Year Deferrals") and from one fiscal year to a subsequent fiscal year ("Cross-Fiscal Year Deferrals") in order to manage the State's cash flow. Pursuant to the Education Code, warrants for the principal apportionments for the month of February in the amount of $2 billion are drawn in July of the same calendar year, warrants for the principal apportionments for the month of April in the amount of $678.6 million and for the month of May in the amount of $1 billion are drawn in August of the same calendar year, warrants for the principal apportionments for the month of April in the amount of $419 million and for the month of May in the amount of $800 billion, and for the month of June in the amount of $500 million are drawn in July of the same calendar year and warrants for the principal apportionments for the month of March in the amount of $1.3 billion and for the month of April in the amount of $763.8 billion are drawn in August of the same calendar year.

Charter School Funding

A charter school is a public school authorized by a school district, county office of education or the State Board. A proposed charter school submits a petition to one of these entities for approval and that petition details the operations of the charter school. State law requires that charter petitions be approved if they comply with the statutory criteria. The District has certain fiscal oversight and other responsibilities with respect to both affiliated and independent charter schools. Affiliated charter schools, if any, would receive their funding from the District and would be included in the District's budgets and audit reports. On November 13, 2014, the District granted a three-year charter to its first charter school, Paseo Grande Charter School which is expected to be operational in fiscal year 2015-16. As of January 26, 2015, there are no fiscally independent charter schools within the District's boundaries. Fiscally independent charter schools within the District's boundaries receive their funding directly from the State and are not included in the District's audit report and function like independent agencies, including having control over their staffing and budgets, which are received directly from the State.

Charter schools generally receive funding in three broad categories. Charter schools receive a block grant that is similar to school district revenue limit funding and is based on statewide average revenue limits for school districts within specified ranges of grades. These charter school revenues are deducted from the amount of State Aid a school district is entitled to receive each year. Charter schools also receive a block grant in lieu of many categorical programs. Charter schools may spend these block grants for any educational purpose. The third broad category of funding for charter schools is categorical funds not included in the block grant. A charter school must apply for these funds, program by program, and if received, must spend the funds in accordance with the same program requirements as traditional schools. An increase in the number of independent charter schools within a school district, or of independent charter school students in a school district who had previously been students at a traditional school in that same school district, results in a reduction of the revenue limit and, possibly, program funding for that school district.

Proposition 98

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" ("Proposition 98"). Proposition 98 changed State funding of public education below the university level and the operation of the State's appropriation limit as described in Article XIIIB of the State Constitution, primarily by guaranteeing K-14 schools a minimum share of State General Fund revenues. Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), there are currently three tests which determine the minimum level of K-14 funding. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS" herein.

Proposition 98 permits the State Legislature by two-thirds vote of both houses, with the Governor's concurrence, to suspend the K-14 schools' minimum funding formula for a one-year period. The amount of suspension is eventually repaid according to a specified State Constitutional formula, thereby restoring Proposition 98 funding to the level that would have been required in the absence of such suspension. The fiscal year 2004-05 State Budget Act suspended the Proposition 98 minimum guarantee for fiscal year 2004-05; however, the suspended amount was fully paid in fiscal year 2005-06. The Proposition 98 minimum guarantee was fully funded for fiscal years 2005-06 through 2009-10. The State's fiscal year 2010-11 State Budget Act suspended the Proposition 98 minimum guarantee in fiscal year 2010-11.

Litigation Regarding State Budgetary and Fiscal Actions

On May 20, 2010, more than 60 individual students and their respective families, nine school districts within the State, the California Congress of Parents Teachers & Students, the Association of California School Administrators, and the California School Boards Association filed a complaint for declaratory and injunctive relief, entitled *Maya Robles-Wong, et al. v. State of California*, *et al.*, (the "*Robles* Complaint") in the Alameda County Superior Court. The *Robles* Complaint alleges, among other things, that the State's current system of funding public education is not designed to support the core education program required by the State and that the State has failed to meet its duties under the State Constitution to keep up and support a "system of common schools." The *Robles* Complaint further alleges that the State does not provide and sufficiently fund an educational finance system that is intentionally, rationally, and demonstrably aligned with the goals and objectives of the State's prescribed educational program and the costs of ensuring that all children of all needs have the opportunity to become proficient in accordance with the State's academic standards. The *Robles* Complaint requests that the court enter a permanent injunction to, among other things, require the State to align its school finance system with its prescribed educational program and direct the defendants to cease operating the existing public school finance system or any other system of public finance that does not meet the requirements of the State Constitution. The District is not listed as a party in the *Robles* Complaint. The Superior Court sustained the State's demurrer with leave to amend. The plaintiffs are still appealing.

On July 13, 2010, 18 individual students and their respective families, three taxpayer citizens, the Campaign for Quality Education, the Alliance of Californians for Community Empowerment, Californians for Justice and the San Francisco Organizing Project filed a complaint for declaratory and injunctive relief, entitled *Campaign for Quality Education, et al., v. State of California and Arnold Schwarzenegger, Governor of the State of California,* (the "*CQE* Complaint") in the Alameda County Superior Court. The *CQE* Complaint alleges, among other things, that the State has violated its constitutional duties by failing to provide the individual plaintiffs' school districts with sufficient funds and that the State has failed to adopt policies to enable the districts to ensure that the individual plaintiffs and students of the districts have access to a meaningful education. The *CQE* Complaint further alleges that the State has violated the constitutional guarantees of equal protection under the State Constitution by failing to fulfill its constitutionally mandated duties to maintain a school finance system that allocates funds sufficient to provide students in the individual plaintiffs' school districts with a meaningful education and to first set apart and provide those funds to the public school system. The *CQE* Complaint requests that the court issue a declaratory judgment that the State has failed to adhere to its constitutional duties relating to the system of education, and provide injunctive relief as necessary to achieve compliance with the State Constitution. The District is not listed as a party in the *CQE* Complaint. The Superior Court sustained the State's demurrer with leave to amend. The plaintiffs are still appealing.

The District cannot predict whether any party listed in the *Robles* Complaint or the *CQE* Complaint will be successful, and if so, how any final court decision with respect to either lawsuit would affect the financial status of the District, as the nature of any court's remedy and the responses of the State Legislature and the Governor are unknown.

Litigation Regarding Teacher Layoff Procedures in the State

A complaint declaratory and injunctive relief was filed on May 14, 2012 entitled *Vergara, et al. v. State of California, et al.* (the "*Vergara* Litigation") in the Los Angeles County Superior Court. The plaintiffs, who are public school and public charter school students in the State, allege that the hiring and continued employment of grossly ineffective teachers in the State public school system is the direct result of the continued enforcement of Education Code Sections 44929.21(b), 44934, 44938(b)(1), 44938(b)(2), 44944 and 44955 (collectively, the "Challenged Statutes"). The plaintiffs alleged that the continued enforcement of the Challenged Statutes causes negative impacts on students' education, infringe upon California students' right to education and cause disparate impacts from classroom to classroom and school to school. Further, the plaintiffs allege that the Challenged Statutes prevent administrators from making employment and dismissal decisions that benefit students due to, among other things, the cost to terminate ineffective teachers, the difficulty, complexity, and length of time associated with the removal process and the seniority basis of the layoff system. In June 2014, the Superior Court of the State of California issued a tentative decision, and in August 2014 issued a judgment, which held that the provisions of the Challenged Statutes with respect to permanent employment, teacher dismissal, and the process pursuant to which the last-hired teacher is the first to be fired when layoffs occur violate the equal protection clause of the State Constitution. In addition, the Superior Court held that the Challenged Statutes disproportionally affect poor and minority students. The Superior Court stayed the injunction of the Challenged Statutes pending appellate review. The District is not a party in the *Vergara* Litigation. The District cannot predict the outcome of or remedy imposed by any appellate review with respect to the Challenged Statutes, how any final court decision with respect to the *Vergara* Litigation would affect the financial status of the District, or the responses, if any, of the State Legislature and the Governor. However, the District does not expect any decisions or change in law to adversely affect the ability of the District to pay the principal of and interest of the Bonds as and when due.

Litigation Regarding Redevelopment Agency Revenues and Education Expenditures

In connection with Assembly Bill 26 and Assembly Bill 27 of the 2010-11 First Extraordinary Session ("AB1X 26"), the State required redevelopment agencies to cease operations and provided an alternative for communities to continue certain redevelopment practices. Upon the dissolution of such redevelopment agencies, the State required any property taxes that would have been allocated to redevelopment agencies to be allocated to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agencies, with remaining balances to be allocated in accordance with applicable constitutional and statutory provisions.

On December 29, 2011, the Supreme Court of the State, in a case entitled *California Redevelopment Association v. Matosantos*, held that the dissolution provisions set forth in AB1X 26 were constitutional. Revenues that would have been directed to the redevelopment agencies will be used to make pass-through payments (*i.e.*, payments that such entities would have received under prior law) to local agencies and to successor agencies for retirement of the debts and certain administrative costs of the redevelopment agencies. The District cannot predict the amount, if any, of revenues that will be reallocated to the District as a result of the dissolution of redevelopment agencies operating within the boundaries of the District and the extent to which the District's revenue limit apportionment could be offset by any redevelopment revenues received.

State Budget

General. The District's operating income consists primarily of three components, which include the State Aid portion funded from the State General Fund and a locally generated portion derived from the District's share of the general 1% *ad valorem* property tax levy authorized by the State Constitution. In addition, school districts, such as the District, may be eligible for other special categorical funding, including State and federal programs. Currently, the District receives approximately 87% of its General Fund revenues from funds of or controlled by the State. As a result, decreases in State revenues, or in State legislative appropriations made to fund education, may significantly affect District operations.

The following description of the State's budget has been obtained from publicly available information which the District believes to be reliable. However, the District, the Financial Advisor and the Underwriter do not guarantee the accuracy or completeness of this information and have not independently verified such information. Additional information regarding State budgets is available at various State-maintained websites, including www.dof.ca.gov. These websites are not incorporated herein by reference and the District, the Financial Advisor and the Underwriter do not make any representation as to the accuracy of the information provided therein.

The State Budget Process. The State's fiscal year begins on July 1 and ends on June 30. According to the State Constitution, the Governor of the State (the "Governor") is required to propose a budget for the next fiscal year (the "Governor's Budget") to the State Legislature no later than January 10 of each year. Proposition 25, which was adopted by voters in the State at an election held on November 2, 2010, amended the State Constitution such that a final budget must be adopted by a simple majority vote of each house of the State Legislature by no later than June 15 and the Governor must sign the adopted budget by no later than June 30. The budget becomes law upon the signature of the Governor. In certain recent years, the State's final budget has not been timely adopted.

Under State law, the annual Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the State Legislature takes up the proposal. Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the State Legislature and signed by the Governor. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the State Legislature. Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each house of the State Legislature and be signed by the Governor. Bills containing K-14 education appropriations require only a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt. However, delays in the adoption of a final State budget in any fiscal year may affect payments of State funds during such budget impasse. See "– State Funding of Schools Without a State Budget" below for a description of payments of appropriations during a budget impasse.

Fiscal Year 2015-16 State Budget. On January 9, 2015, Governor Brown released his proposed fiscal year 2015-16 budget (the "2015-16 Proposed State Budget"). The 2015-16 Proposed State Budget projects general fund revenues in the amount of $108 billion in fiscal year 2014-15 and $113.4 billion in fiscal year 2015-16. Revenue for fiscal year 2014-15 is forecast to be $2.5 billion greater than the amount forecast at the 2014 Budget Act. Revenue for fiscal year 2015-16 is forecast to be $1 billion greater than the amount forecast for the 2014 Budget Act.

Despite the recent budgetary improvements as compared to recent years, the 2015-16 Proposed State Budget acknowledges that the State continues to have hundreds of billions of dollars in existing liabilities, such as unfunded retirement liabilities, and deferred maintenance of the State's roads and other infrastructure which need to be addressed. Furthermore, the 2015-16 Proposed State Budget observes several risks that the State should plan for, including the inevitable occurrence of another recession, ongoing fiscal challenges of the federal government and the 2015-16 Proposed State Budget's heavy dependency on the performance of the stock market in fiscal year 2015-16. The 2015-16 Proposed State Budget also includes language suggesting the need for future limitations on the amount of monetary support to be provided by the State through the issuance of State School Bonds and the State Matching Funds Program.

Under the 2015-16 Proposed State Budget, general fund expenditures for fiscal year 2015-16 are $113.3 billion (an increase of $1.5 billion from fiscal year 2014-15 general fund expenditures), of which $47.1 billion (41.6%) is allocated to K-12 education. The 2015-16 Proposed State Budget provides Proposition 98 funding of $65.7 billion for fiscal year 2015-16, as well as an additional $2.3 billion and $400 million for fiscal years 2014-15 and 2013-14, respectively.

Total per-pupil expenditures from all sources are projected to be $13,223 in fiscal year 2014-15 and $13,462 in fiscal year 2015-16, including funds provided for prior year "settle-up" obligations. Ongoing K-12 Proposition 98 per-pupil expenditures are $9,667 in fiscal year 2015-16, an increase of $306 per-pupil over the level provided in 2014-15. The 2015-16 Proposed State Budget notes that attendance in public schools grew in fiscal year 2010-11 and fiscal year 2011-12, declined slightly in fiscal year 2012-13, increased again in fiscal year 2013-14 and is projected to grow further in fiscal year 2014-15 and decline slightly in fiscal year 2015-16. For fiscal year 2014-15, K-12 Average Daily Attendance ("ADA") is estimated to be 6,000,733, an increase of 8,166 from fiscal year 2013-14. K-12 ADA is estimated to drop by 585 in fiscal year 2015-16 to 6,000,148.

The 2015-16 Proposed State Budget also provides a third-year investment of $4 billion in the Local Control Funding Formula, which is expected to eliminate more than 32% of the remaining funding gap between actual funding and the target level of funding. This investment builds upon the almost $6.8 billion provided over the last two years.

The 2015-16 Proposed State Budget included the following significant adjustments affecting California K-12 school districts:

- K-12 Deferrals—An increase of almost $900 million in one-time Proposition 98 general funds in fiscal year 2014-15 to eliminate all remaining outstanding deferral debt for K-12. Inter-year deferrals for K-12 had reached a high of $9.5 billion in fiscal year 2011-12.

- Emergency Repair Program—An increase of $273.4 million in one-time Proposition 98 general fund resources for the Emergency Repair Program. This funding will retire the state's facilities funding obligation under the terms of an existing lawsuit settlement agreement.

- School District Local Control Funding Formula—Additional growth of approximately $4 billion in Proposition 98 general funds for school districts and charter schools in fiscal year 2015-16, an increase of 8.7 percent.

- County Offices of Education Local Control Funding Formula—An increase of $109,000 Proposition 98 general funds to support a cost-of-living adjustment for those county offices of education at their target funding level under the formula.

- Charter Schools—An increase of $59.5 million Proposition 98 general funds to support projected charter school ADA growth.

- Special Education—An increase of $15.3 million Proposition 98 general funds to reflect a projected increase in Special Education ADA.

- Cost-of-Living Adjustment Increases—An increase of $71.1 million to support a 1.58-percent cost-of-living adjustment for categorical programs that remain outside of the Local Control Funding Formula, including Special Education, Child Nutrition, Foster Youth, Preschool, American Indian Education Centers, and the American Indian Early Childhood Education Program. Cost-of-living adjustments for school districts and charters schools are provided within the increases for school district Local Control Funding Formula implementation noted above.

- Local Property Tax Adjustments—A decrease of $11.4 million Proposition 98 general funds for the school district and county office of education in fiscal year 2014-15 as a result of higher offsetting property tax revenues. A decrease of $1.7 billion in Proposition 98 general funds for school districts and county offices of education in fiscal year 2015-16 as a result of increased offsetting local property tax revenues.

- Average Daily Attendance—An increase of $197.6 million in fiscal year 2014-15 for school districts and county offices of education as a result of an increase in projected ADA from the 2014 Budget Act, and a decrease of $6.9 million in fiscal year 2015-16 for school districts and county offices of education as a result of projected decline in ADA for fiscal year 2015-16.

- Full-Day State Preschool Slots—An increase of $14.8 million Proposition 98 general funds and $18.8 million non-Proposition 98 general funds to support 4,000 State

Preschool slots with full-day wraparound care. These slots were established in the 2014 Budget Act as of June 15, 2015 (for 15 days in fiscal year 2014-15) and these increases reflect the difference in full-year cost for these slots in fiscal year 2015-16.

Fiscal Year 2014-15 State Budget. On June 20, 2014, Governor Brown signed the fiscal year 2014-15 State Budget Act (the "2014-15 State Budget"). The 2014-15 State Budget included approximately $109.3 billion in State General Fund resources (including revenues, transfers and prior year balance) and approximately $108.0 billion in planned State General Fund expenditures. $1.6 billion in State General Fund revenues to be transferred to a budget stabilization fund. The 2014-15 State Budget included approximately 7.2 percent State General Fund spending increase from the State's fiscal year 2013-14 budget. The 2014-15 State Budget includes approximately $10 billion more in Proposition 98 funding than in fiscal year 2013-14.

The 2014-15 State Budget also assumed a proposed constitutional amendment to strengthen California's reserve fund, which was approved by voters at the November 2014 election. The establishment of such a reserve would not affect the guaranteed level of funding for school districts under Proposition 98.

The 2014-15 State Budget included an amendment to the Education Code ("SB 858") which provides, commencing with budgets adopted for the 2015–16 fiscal year, if a district's proposed budget includes a local reserve above the minimum recommended level, the governing board of the district must provide the information for review at the annual public hearing on its proposed budget. In addition, SB 858 included a provision, which limits the amount of reserves that may be maintained at the district level. This proposed reserve fund "cap" was conditioned on the success of Proposition 2 on the November 4, 2014 statewide ballot, which was approved by voters. Under certain circumstances, this provision could limit the District's ability to maintain reserves above a certain level. The District cannot predict whether the conditions precedent to such cap will occur, or how this legislation will impact its reserves and future spending.

The 2014-15 State Budget included the following significant adjustments affecting California K-12 school districts:

- *K-12 Deferrals* – The 2014-15 State Budget repays nearly $4.7 billion Proposition 98 General Fund for K-12 expenses that had been deferred from one year to the next during the recent economic downturn, leaving an outstanding balance of less than $900 million in K-12 deferrals. Further, the 2014-15 State Budget includes a trigger mechanism that will appropriate any additional funding resources attributable to fiscal years 2013-14 and 2014-15 subsequent to the enactment of the 2014-15 State Budget for the purpose of retiring the remaining deferral balance.

- *Local Control Funding Formula* – An increase of $4.75 billion Proposition 98 General Fund to continue the State's transition to the LCFF. This increase will close the remaining funding implementation gap by more than 29 percent. Additionally, the 2014-15 State Budget addresses an administrative problem related to the collection of income eligibility forms that are used to determine student eligibility for free or reduced-price meals.

- *K-12 Mandates* – An increase of $400.5 million in one-time Proposition 98 General Fund to reimburse K-12 local educational agencies for the costs of state-mandated programs. These funds will make a significant down payment on outstanding mandate debt, while providing school districts, county offices of education, and charter schools with discretionary resources to support critical investments.

- *Career Technical Education Pathways Program* – An increase of $250 million in one-time Proposition 98 General Fund to support a second cohort of competitive grants for participating K-12 local educational agencies. Established in the 2013-14 State Budget Act, the Career Pathways Trust Program provides grant awards to improve career technical programs and linkages between employers, schools, and community colleges.

Additional Information. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of the State budget may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." Various analyses of the budget may be found at the website of the LAO at www.lao.ca.gov. In addition, various State 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 via the website of the State Treasurer, www.treasurer.ca.gov. The information presented in these websites is not incorporated by reference in this Official Statement.

Future State Budgets. The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address the State's current or future budget deficits and cash management practices. Future State budgets will be affected by national and State economic conditions, including the current economic downturn, over which the District has no control, and other factors over which the District will have no control. To the extent that the State budget process results in reduced revenues, deferred revenues or increased expenses for the District, the District will be required to make adjustments to its budget and cash management practices. In the event current or future State Budgets decrease the District's revenues or increase required expenditures by the District from the levels assumed by the District, the District will be required to generate additional revenues, curtail programs or services, or use its reserve funds to ensure a balanced budget.

State Funding of Schools Without a State Budget

Although the State Constitution requires that the State Legislature adopt a State Budget by June 15 of the prior fiscal year and that the Governor sign a State Budget by June 30, this deadline has been missed from time to time. Delays in the adoption of a final State budget in any fiscal year could impact the receipt of State funding by the District. 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), et al. (also referred to as *White v. Davis*) ("*Connell*"). The Court of Appeal concluded that, absent an emergency appropriation, the State Controller may authorize the payment of State funds during a budget impasse only when payment is either (i) authorized by a "continuing appropriation" enacted by the State Legislature, (ii) authorized by a self-executing provision of the State Constitution, or (iii) mandated by federal law. The Court of Appeal specifically concluded that the provisions of Article XVI, Section 8 of the State Constitution – the provision establishing minimum funding of K-14 education enacted as part of Proposition 98 – did not constitute a self-executing authorization to disburse funds, stating that such provisions merely provide formulas for determining the minimum funding to be appropriated every budget year but do not appropriate funds. Nevertheless, the State Controller has concluded that the provisions of the Education Code establishing K-12 and county office of education revenue limit funding do constitute continuing appropriations enacted by the State Legislature and, therefore, has indicated that State payments of such amounts would continue during a budget impasse. The State Controller, however, has concluded that K-12 categorical programs are not authorized pursuant to a continuing appropriation enacted by the State Legislature and, therefore, cannot be paid during a budget impasse. To the extent the *Connell* decision applies 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 some payments to the District while such required legislative action is delayed, unless the payments are self-executing authorizations, continuing appropriations or are subject to a federal mandate.

The State Supreme Court granted the State Controller's petition for review of the *Connell* case on a procedural issue unrelated to continuous appropriations and on the substantive question as to whether the State Controller is authorized to pay State employees their full and regular salaries during a budget impasse. No other aspect of the Court of Appeal's decision was addressed by the State Supreme Court. On May 1, 2003, with respect to the substantive question, the State Supreme Court concluded that the State 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.

CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS

Constitutionally Required Funding of Education

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

Article XIIIB of the State Constitution

On November 6, 1979, State voters approved Proposition 4, which added Article XIIIB to the State Constitution. In June 1990, the voters through their approval of Proposition 111 amended Article XIIIB. Article XIIIB of the State Constitution limits the annual appropriations of the State and any city, county, school district, special district, authority or other political subdivision of the State (e.g. local governments) to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the governmental entity. The "base year" for establishing such appropriation limit is the 1978-79 fiscal year. Increases in appropriations by a governmental entity are also permitted (i) if financial responsibility for providing services is transferred to a governmental entity, or (ii) for emergencies so long as the appropriations limits for the three years following the emergency are reduced accordingly to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations subject to Article XIIIB include generally any authorization to expend during the fiscal year the proceeds of taxes levied by or for the State, exclusive of certain State subventions for the use and operation of local government, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation of an entity of local government include any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity and refunds of taxes. Appropriations subject to limitation pursuant to Article XIIIB do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues and (iii) certain State subventions received by local governments.

Article XIIIB includes a requirement pursuant to which fifty percent (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 which may be appropriated by the State in compliance with Article XIIIB during that fiscal year and the fiscal year immediately following it shall be transferred and allocated, from a fund established for that purpose, pursuant to Article XVI of the State Constitution. In addition, fifty percent (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 which may be appropriated by the State in compliance with Article XIIIB during that fiscal year and the fiscal year immediately following it shall be returned by revising tax rates or fee schedules within the next two subsequent fiscal years. Further, Article XIIIB includes a requirement that all revenues received by an entity of government, other than the State, in a fiscal year and in the fiscal year immediately following it that exceed the amount which may be appropriated by that entity in compliance with Article XIIIB during that fiscal year and the fiscal year immediately following it shall be returned by revising tax rates or fee schedules within the next two subsequent fiscal years.

As amended in June 1990, the appropriations limit for counties in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The change in the cost of living for a school district, such as the District, is the percentage change in the ADA of the school district or community college district from the preceding fiscal year, as determined by a method prescribed by the State Legislature.

Article XIIIB permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years.

Article XIIIC and Article XIIID of the State Constitution

On November 5, 1996, the voters of the State approved Proposition 218, the "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, 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.

Article XIIID deals with assessments and property related fees and charges. Article XIIID explicitly provides that nothing in Article XIIIC or XIIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however, it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit, primarily by guaranteeing State funding for K-12 school districts and community college districts (collectively, "K-14 districts").

Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 districts are guaranteed the greater of (a) in general, a fixed percent of the State General Fund's revenues ("Test 1"), (b) the amount appropriated to K-14 districts in the prior year, adjusted for changes in the cost of living (measured as in Article XIIIB by reference to State per capita personal income) and enrollment ("Test 2"), or (c) a third test, which would replace Test 2 in any year when the percentage growth in per capita State General Fund revenues from the prior year plus one half of 1% is less than the percentage growth in State per capita personal income ("Test 3"). Under Test 3, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State General Fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 would become a "credit" to schools which would be the basis of payments in future years when per capita State General Fund revenue growth exceeds per capita personal income growth. Legislation adopted prior to the end of fiscal year 1988-89, implementing Proposition 98, determined the K-14 districts' funding guarantee under Test 1 to be 40.3% of the State General Fund tax revenues, based on 1986-87 appropriations. However, that percentage has been adjusted to 34.559% to account for a subsequent redirection of local property taxes whereby a greater proportion of education funding now comes from local property taxes.

Proposition 98 permits the State Legislature by a two-thirds vote of both houses of the State Legislature, with the Governor's concurrence, to suspend the K-14 districts' minimum funding formula for a one-year period. In the fall of 1989, the State Legislature and the Governor utilized this provision to avoid having 40.3% of revenues generated by a special supplemental sales tax enacted for earthquake relief go to K-14 districts. In the fall of 2004, the State Legislature and the Governor agreed to suspend the K-14 districts' minimum funding formula set forth pursuant to Proposition 98 in order to address a projected shortfall during fiscal year 2004-05. Proposition 98 also contains provisions transferring certain State tax revenues in excess of the Article XIIIB limit to K-14 districts.

Proposition 39

Proposition 39 ("Proposition 39"), which was approved by California voters in November 2000, provides an alternative method for passage of school facilities bond measures which lowers the constitutional voting requirement from two-thirds to 55% of voters and allows property taxes to exceed the current 1% limit in order to repay such bonds. The lower 55% vote requirement would apply only to bond issues to be used for construction, rehabilitation, or equipping of school facilities or the acquisition of real property for school facilities. The State Legislature enacted additional legislation which placed certain limitations on this lowered threshold, requiring that (i) two-thirds of the governing board of a school district approve placing a bond issue on the ballot, (ii) the bond proposal be included on the ballot of a statewide or primary election, a regularly scheduled local election, or a statewide special election (rather than a school district election held at any time during the year), (iii) the tax rate levied as a result of any single election not exceed $25 for a community college district, $60 for a unified school district, or $30 for an elementary school or high school district per $100,000 of taxable property value, and (iv) the governing board of the school district appoint a citizen's oversight committee to inform the public concerning the spending of the bond proceeds. In addition, the school board of the applicable district is required to perform an annual, independent financial and performance audit until all bond funds have been spent to ensure that the funds have been used only for the projects listed in the measure. The Measure CV (2010) bond program was authorized pursuant to Proposition 39. The District is in full compliance with all Proposition 39 requirements.

Proposition 1A

Proposition 1A, proposed by the Legislature as a Senate Constitutional Amendment in connection with the 2004-05 Budget Act and approved by California voters in November 2004, provides that the

State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the State Legislature. Proposition 1A provides, however, that beginning in fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the vehicle license fees rate below 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates. The State's ability to initiate future exchanges and shifts of funds will be limited by Proposition 22. See "– Proposition 22" below.

Proposition 22

Proposition 22 ("Proposition 22"), which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. Due to the prohibition with respect to State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A. See "– Proposition 1A" herein. In addition, Proposition 22 generally eliminated the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increased school and community college district's share of property tax revenues, prohibited the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibited the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO stated that Proposition 22 would prohibit the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. However, the California Supreme Court, in *California Redevelopment Association v. Matosantos*, held that the dissolution provisions set forth in AB1X 26 were constitutional and permitted the State to allocate revenues that would have been directed to the redevelopment agencies to make pass-through payments (*i.e.*, payments that such entities would have received under prior law) to local agencies and to successor agencies for retirement of the debts and certain administrative costs of the redevelopment agencies. See "STATE FUNDING OF EDUCATION – Litigation Regarding Redevelopment Agency Revenues and Education Expenditures" herein.

Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009. The LAO stated that Proposition 22 would require the State to adopt alternative actions to address its fiscal and policy objectives, particularly with respect to short-term cash flow needs.

The District does not believe that Proposition 22 will have a significant impact on their respective revenues and expenditures during fiscal year 2014-15.

Future Initiatives

The foregoing described amendments to the State Constitution and 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 that further affect District revenues or the District's ability to expend revenues.

APPENDIX D

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR 2013-14

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ROBLA SCHOOL DISTRICT
Sacramento, California

FINANCIAL STATEMENTS
June 30, 2014

ROBLA SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2014

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ROBLA SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2014

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(Continued)

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Robla School District
Sacramento, 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 Robla School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Robla 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 Robla School District, as of June 30, 2014, and the respective changes in financial position and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 3 to 10 and the General Fund Budgetary Comparison Schedule and Schedule of Other Postemployment Benefits (OPEB) Funding Progress on pages 41 and 42 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 Robla School District's basic financial statements. The accompanying schedule of expenditure of federal awards as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2014 on our consideration of Robla School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Robla School District's internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 8, 2014

ROBLA SCHOOL DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2014

The discussion and analysis of Robla School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report, the District's financial statements and notes to the financial statements.

The Management's Discussion and Analysis (MD & A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information is required to be presented in the MD & A.

FINANCIAL HIGHLIGHTS

- The increase in Revenue Limit sources from 2012-2013 to 2013-2014 was $4.1 million, and was due to the Local Control Funding Formula (LCFF) being implemented. The major increase is due to the District receiving a substantial amount of gap funding in 2013-2014.

- The general fund expenditures increased by $1.7 million or 10.65% of the previous year amount.

- General Fund revenues and other sources exceeded expenditures and other uses by $1.0 million, ending the year with available reserves of 7.3%.

Overview of the Financial Statements

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can understand the Robla School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Basic Financial Statements

The first two statements are district-wide financial statements, the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the whole School District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's more significant funds with all other non-major funds presented in total in one column. A comparison of the District's general fund budget is included.

The financial statements also include notes that explain some of the supplementary information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

These two statements provide information about the District as a whole using methods similar to those used by private-sector companies. The Statement of Net Position includes all the District's assets and liabilities using the accrual basis of accounting. This basis of accounting takes in account all the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, "How did we do financially during 2013-2014?"

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities. One must consider many non-financial factors, such as the quality of education provided to assess the overall health of the District.

- Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as condition of school buildings and other facilities, and changes to the property tax base of the District need to be considered in assessing the overall health of the District.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by State law. However, the District establishes other funds to control and manage money for specific purposes.

Governmental Funds

Most of the School District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund, Building Fund, Capital Facilities Fund, and Bond Interest and Redemption Fund. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using and 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 operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Fiduciary Funds

The District is the trustee, or fiduciary, for the student activities funds. All of the District's fiduciary activities are reported in separate Statement of Fiduciary Assets and Liabilities. 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.

FINANCIAL ANALYSIS OF THE GOVERNMENT WIDE STATEMENTS

The School District as a Whole

The District's net position was ($232) thousand at June 30, 2014. Of this amount, unrestricted assets were $2.7 million. A Comparative analysis of government-wide data is presented in Table 1.

The District's net position decreased $336 thousand this fiscal year (See Table 2). The District's expenses for instructional and pupil services represented 76% of total expenses. The administrative activities of the District accounted for just 7% of total costs. The remaining 17% was spent in the areas of plant services and other expenses. (See Figure 2).

(Table 1)
Comparative Statement of Net Position

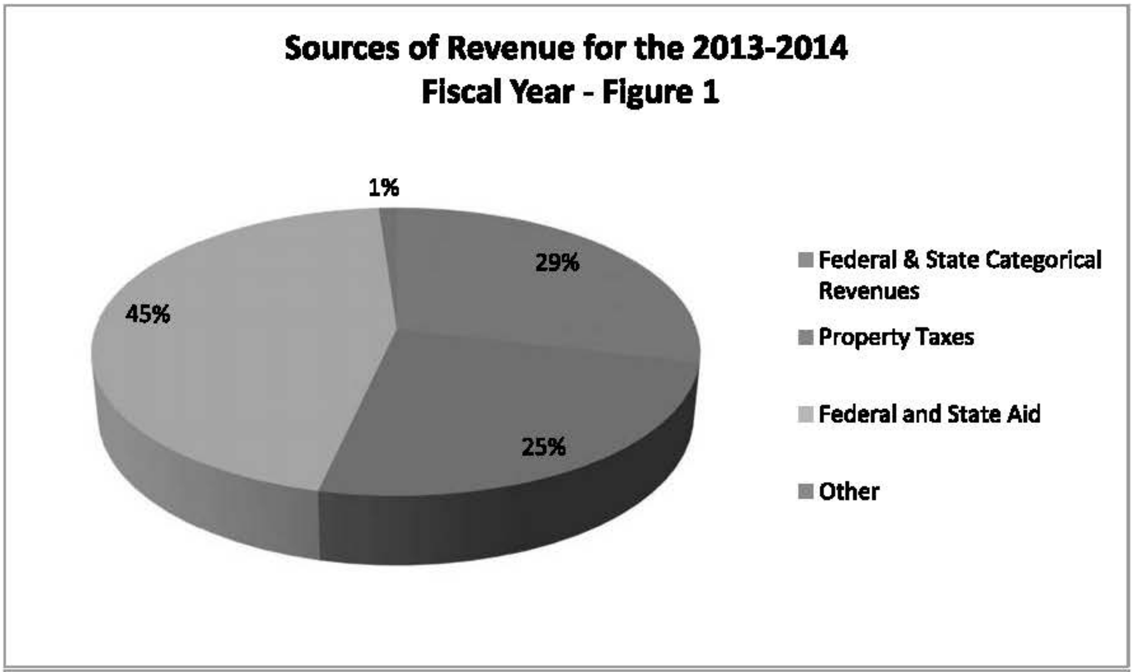
	Governmental Activities	
	June 30, 2014	**June 30, 2013**
Assets		
Cash	$ 7,428,048	$ 12,125,170
Accounts receivable	2,703,715	3,415,927
Stores inventory	6,777	6,777
Prepaid expenses	2,700	
Capital assets	24,447,076	17,965,382
Total Assets	$ 34,588,316	$ 33,513,256
Liabilities		
Accounts payable and other current liabilities	1,774,869	969,116
Unearned revenue	89,332	86,573
Long-term liabilities	32,956,354	32,353,235
Total liabilities	34,820,555	33,408,924
Net Position		
Net investment in capital assets	(7,170,013)	(7,161,020)
Restricted	4,203,985	5,316,107
Unrestricted	2,733,789	1,949,245
Total net position	$ (232,239)	$ 104,332

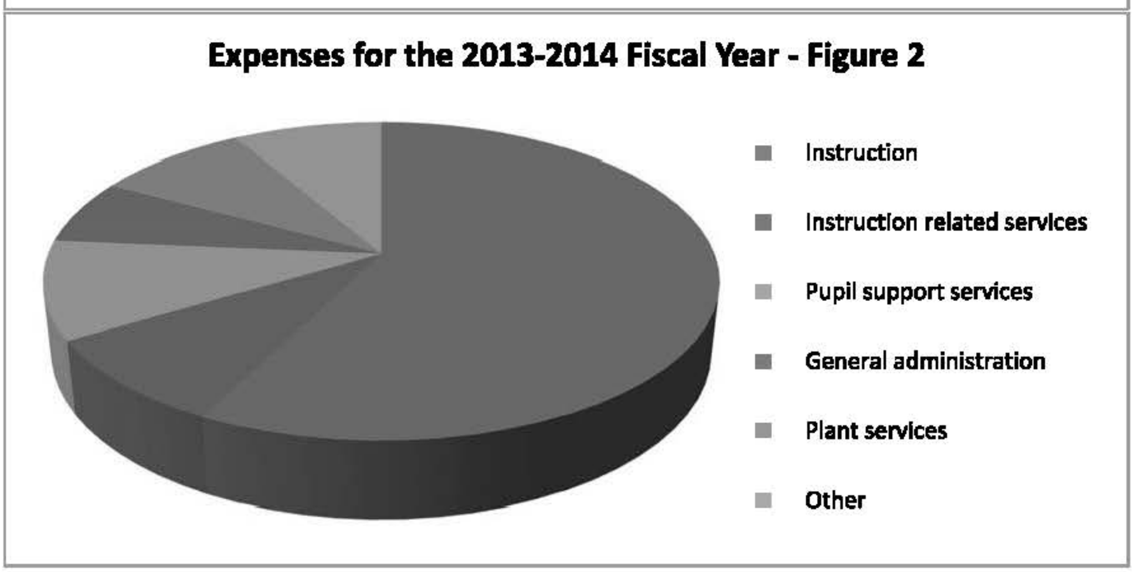
(Table 2)
Comparative Statement of Change in Net Position

	Governmental Activities	
	June 30, 2014	**June 30, 2013**
Revenues		
Program revenues	$ 6,630,156	$ 6,636,753
General revenues		
Taxes levied for general purposes	4,168,230	3,564,462
Taxes levied for debt service	1,292,114	1,555,798
Taxes levied for other specific purposes	257,312	62,638
Federal and state aid not restricted to specific purposes	10,454,866	8,420,621
Interest and investment earnings	3,121	26,503
Miscellaneous	254,352	298,009
Total Revenues	$ 23,060,151	$ 20,564,784
Expenses		
Instruction	13,439,272	11,062,413
Instruction related services	2,090,100	1,987,535
Pupil support services	2,342,038	2,067,310
General administration	1,532,377	2,886,479
Plant services	2,018,626	1,545,696
Other	1,974,309	1,581,251
Total Expenses	23,396,722	21,130,684
Decrease in net position	$ (336,571)	$ (565,900)

GOVERNMENTAL ACTIVITIES

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was $23.4 million. The amount that our local taxpayers financed for these activities through property taxes was $5.7 million. Federal and State aid not restricted to specific purposes totaled $10.5 million. State and Federal Categorical revenue $6.6 million, and covered 28.3% of the expenses of the entire District (See Figure 1).





FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The District's individual fund statements provide information on inflows and outflows and balances of spendable resources. The District's Governmental Funds reported a combined fund balance of $8.4 million, a decrease of $6.2 million from the previous fiscal year's combined ending balance of $14.6 million.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget monthly. The significant budget adjustments fell into the following categories:

- Budget revisions to the adopted budget required after approval of the State budget
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.
- The budget was revised to agree to the actual results after year-end.

The final revised budget for the General Fund reflected a net decrease to the ending balance of $409 thousand.

The District ended the year with a $1.0 million addition to the general fund ending balance. The State recommends available reserves of 3% of District expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District has a broad range of capital assets, including school buildings, administrative buildings, site improvements, vehicles and equipment. Table 3 demonstrates the Schedule of Capital Assets net of depreciation.

(Table 3)
Comparative Schedule of Capital Assets
(net of depreciation)
June 30, 2014 and 2013

	2014	2013	Net $ Change	Net % Change
Land	$ 1,391,065	$ 1,391,065	$ 0	0.0%
Site Improvements	361,109	409,046	(47,937)	-11.7%
Buildings	14,026,255	14,790,008	(763,753)	-5.2%
Equipment	439,630	508,511	(68,881)	-13.5%
Work in progress	8,229,017	866,752	7,362,265	849.4%
Total	$ 24,447,076	$ 17,965,382	$ 6,481,694	819.0%

Long-Term Debt

At June 30, 2014 the District had $33.0 million in long-term debt outstanding.

(Table 2)
Comparative Schedule of Outstanding Debt
June 30, 2014 and 2013

	2014	2013
General Obligation Bonds	$ 21,740,103	$ 22,140,103
Accreted Interest	10,431,005	9,560,742
Net OPEB liability	582,247	501,583
Compensated Absences	202,999	150,807
Total	$ 32,956,354	$ 32,353,235

FACTORS BEARING ON THE DISTRICT

The State's economic downturns and surpluses impact the District's future dramatically. The financial well-being of the District is tied in large measure to the state funding formula which is currently not funding district at 100%. Changes to method in which school districts are funded were in the first year of being implemented for the 2013-2014 fiscal year.

The latest enrollment projections indicate a slightly increasing trend for the next few school years. Student enrollment and attendance are primary factors in the computation of most funding formulae for public schools in the State of California. While ADA growth is not budgeted until realized in the fall, future growth potential is encouraging.

Predicting the future requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years. The District currently maximizes restricted funds prior to utilizing unrestricted revenues in the budget development process. In addition, personnel practices will evidence early and effective intervention in identifying appropriate personnel actions that need to occur early in future school years experiencing State economic fallout. The District has an excellent track record in meeting this challenge in what has proven to be a long cycle of lean years for education finances.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, 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 additional financial information, please contact Mike Henkel, Chief Business Official, 5248 Rose Street, Sacramento, CA 95838 (916) 991-1728.

BASIC FINANCIAL STATEMENTS

ROBLA SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2014

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	$ 7,428,048
Receivables	2,703,715
Stores inventory	6,777
Prepaid expenses	2,700
Non-depreciable capital assets (Note 4)	9,620,082
Depreciable capital assets, net of accumulated depreciation (Note 4)	14,826,994
Total assets	34,588,316
LIABILITIES	
Accounts payable	1,774,869
Unearned revenue	89,332
Long-term liabilities (Note 5):	
Due within one year	726,734
Due after one year	32,229,620
Total liabilities	34,820,555
NET POSITION	
Net investment in capital assets	(7,170,013)
Restricted (Note 6)	4,203,985
Unrestricted	2,733,789
Total net position	$ (232,239)

See accompanying notes to financial statements.

ROBLA SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2014

	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contri-butions	Program Revenues: Capital Grants and Contri-butions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 13,439,272	$ 7,183	$ 3,924,463	$	$ (9,507,626)
Instruction-related services:					
Supervision and administration	452,187	933	285,183	-	(166,071)
Library, media and technology	162,235	-	548	-	(161,687)
School site administration	1,475,678	1,869	289,560	-	(1,184,249)
Pupil services:					
Home-to-school transportation	587,446	-	149,346	-	(438,100)
Food services	1,313,477	-	1,376,542	-	63,065
All other pupil services	441,115	-	245,941	-	(195,174)
General administration:					
Centralized data processing	34,787	-	-	-	(34,787)
All other general administration	1,497,590	471	205,237	-	(1,291,882)
Plant services	2,018,626	155	112,877	-	(1,905,594)
Enterprise activities	3,365	-	3,574	-	209
Interest on long-term liabilities	1,868,649	-	-	-	(1,868,649)
Other outgo	102,295	-	26,274	-	(76,021)
Total governmental activities	$ 23,396,722	$ 10,611	$ 6,619,545	$ -	(16,766,566)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					4,168,230
Taxes levied for debt service					1,292,114
Taxes levied for other specific purposes					257,312
Federal and state aid not restricted to specific purposes					10,454,866
Interest and investment earnings					3,121
Miscellaneous					254,352
Total general revenues					16,429,995
Change in net position					(336,571)
Net position, July 1, 2013					104,332
Net position, June 30, 2014					$ (232,239)

See accompanying notes to financial statements.

ROBLA SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2014

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
ASSETS						
Cash and investments:						
Cash in County Treasury	$ 3,108,621	$ 134,702	$ 1,091,326	$ 1,278,329	$ 825,690	$ 6,438,668
Cash on hand and in banks	131	-	-	-	-	131
Cash in revolving fund	6,857	-	-	-	-	6,857
Cash awaiting deposit	7,578	-	-	-	371	7,949
Cash with Fiscal Agent	-	974,443	-	-	-	974,443
Receivables	2,539,114	739	990	-	162,872	2,703,715
Due from other funds	124,665	-	66,078	-	3,046	193,789
Stores inventory	-	-	-	-	6,777	6,777
Prepaid expenditures	2,700	-	-	-	-	2,700
Total assets	$ 5,789,666	$ 1,109,884	$ 1,158,394	$ 1,278,329	$ 998,756	$ 10,335,029
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 1,055,991	$ 555,865	$ 24,918	$ -	$ 21,625	$ 1,658,399
Unearned revenue	2,422	-	-	67,741	19,169	89,332
Due to other funds	69,124	-	-	-	124,665	193,789
Total liabilities	1,127,537	555,865	24,918	67,741	165,459	1,941,520
Fund balances:						
Nonspendable	9,557	-	-	-	6,777	16,334
Restricted	1,026,624	554,019	1,133,476	1,210,588	826,520	4,751,227
Assigned	2,350,500	-	-	-	-	2,350,500
Unassigned	1,275,448	-	-	-	-	1,275,448
Total fund balances	4,662,129	554,019	1,133,476	1,210,588	833,297	8,393,509
Total liabilities and fund balances	$ 5,789,666	$ 1,109,884	$ 1,158,394	$ 1,278,329	$ 998,756	$ 10,335,029

See accompanying notes to financial statements.

ROBLA SCHOOL DISTRICT

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

June 30, 2014

Total fund balances - Governmental Funds		$ 8,393,509
Amounts reported for governmental activities in the statement of net position are different because:		
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 $40,619,921 and the accumulated depreciation is $16,172,845 (Note 4).		24,447,076
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at June 30, 2014 consisted of (Note 5):		
General Obligation Bonds	$ (21,740,103)	
Accreted interest	(10,431,005)	
Net Other Postemployment Benefits (OPEB) liability (Note 8)	(582,247)	
Compensated absences	(202,999)	(32,956,354)
In the governmental funds, interest on long-term liabilities is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred:		(116,470)
Total net position - governmental activities		$ (232,239)

See accompanying notes to financial statements.

ROBLA SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2014

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:						
Local Control Funding Formula (LCFF):						
State apportionment	$ 10,092,820	$ -	$ -	$ -	$ -	$ 10,092,820
Local sources	4,168,492	-	-	-	-	4,168,492
Total LCFF	14,261,312	-	-	-	-	14,261,312
Federal sources	1,527,787	-	-	-	1,454,917	2,982,704
Other state sources	1,184,280	-	-	8,759	1,287,148	2,480,187
Other local sources	1,519,918	15,100	322,344	1,419,874	58,712	3,335,948
Total revenues	18,493,297	15,100	322,344	1,428,633	2,800,777	23,060,151
Expenditures:						
Certificated salaries	9,468,839	-	-	-	518,276	9,987,115
Classified salaries	2,770,311	-	-	-	902,969	3,673,280
Employee benefits	2,886,613	-	-	-	367,068	3,253,681
Books and supplies	926,845	-	48,660	-	713,118	1,688,623
Contract services and operating expenditures	1,347,610	17,692	186,090	-	98,985	1,650,377
Capital outlay	72,661	7,396,186	11,589	-	40,330	7,520,766
Other outgo	103,069	-	-	-	-	103,069
Debt service:						
Principal retirement	-	-	-	400,000	-	400,000
Interest	-	-	-	1,004,928	-	1,004,928
Total expenditures	17,575,948	7,413,878	246,339	1,404,928	2,640,746	29,281,839
Excess (deficiency) of revenues over (under) expenditures	917,349	(7,398,778)	76,005	23,705	160,031	(6,221,688)
Other financing sources (uses):						
Operating transfers in	124,665	-	-	-	-	124,665
Operating transfers out	-	-	-	-	(124,665)	(124,665)
Total other financing sources (uses)	124,665	-	-	-	(124,665)	-
Change in fund balances	1,042,014	(7,398,778)	76,005	23,705	35,366	(6,221,688)
Fund balances, July 1, 2013	3,620,115	7,952,797	1,057,471	1,186,883	797,931	14,615,197
Fund balances, June 30, 2014	$ 4,662,129	$ 554,019	$ 1,133,476	$ 1,210,588	$ 833,297	$ 8,393,509

See accompanying notes to financial statements.

ROBLA 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, 2014

Net change in fund balances - Total Governmental Funds		$ (6,221,688)
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).	$ 7,423,890	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(942,196)	
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 5).	400,000	
Accreted interest is an expense that is not reported in the governmental funds (Note 5).	(870,263)	
In 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.	6,542	
In the statement of activities, expenses related to net OPEB liability and compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Notes 5 and 8).	(132,856)	5,885,117
Change in net position of governmental activities		$ (336,571)

See accompanying notes to financial statements.

ROBLA SCHOOL DISTRICT

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

June 30, 2014

	Student Body Funds
ASSETS	
Cash on hand and in banks (Note 2)	$ 47,347
LIABILITIES	
Due to student groups	$ 47,347

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Robla 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

The Board of Trustees is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

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.

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. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

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 specifically identified by function and is included in the direct expense of each function. Interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 balance, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled:

A - Major Funds

1. 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.

2. Building Fund:

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

3. Capital Facilities Fund:

   The Capital Facilities is used to account for resources used for the acquisition or construction of capital facilities by the District.

4. Bond Interest and Redemption Fund:

   The Bond Interest and Redemption Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. All records relating to the Bond Interest and Redemption Fund are maintained by the Sacramento County Auditor-Controller. The revenue for this fund is raised by school district taxes which are levied, collected, and administered by County officials. The Education Code stipulates that the tax rate levied shall be sufficient to provide monies for the payment of principal and interest as they become due on outstanding school district bonds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B - Other Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This includes the Child Development, Cafeteria and Deferred Maintenance Funds.

Capital Projects Funds are used to account for resources used for the acquisition or construction of capital facilities by the District. This includes the County School Facilities and Special Reserve for Capital Outlay Funds.

Student Body Funds are used to account for revenues and expenditures of the various student body organizations. All cash activity, assets and liabilities of the various student bodies of the District are accounted for in Student Body Funds.

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.

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 Education must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Trustees complied with these requirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables are made up principally of amounts due from the State of California for Local Control Funding Formula and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2014.

Stores Inventory

Inventories in the Cafeteria Fund are valued at latest invoice cost. Inventory recorded in the Cafeteria Fund consists mainly of school supplies and consumable supplies. Inventories are recorded as an expenditure at the time the individual inventory items are transferred from the warehouse to schools and offices.

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 fair market value as of the date received. 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 3 - 30 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 does not have any item of this type.

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 does not have any item of this type.

Compensated Absences

Compensated absences benefits in the amount of $ 202,999 are recorded as a liability. The liability is for the earned but unused benefits.

Accumulated Sick Leave

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

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

Net Investment in Capital Assets

Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by outstanding related debt and adjusted for unspent debt proceeds and deferred outflows/inflows resulting from refunding debt instruments.

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 unspent categorical program revenues and state programs represent programs where the revenue received is restricted for expenditures only in that particular program. The restriction for special revenues represents the portion of net position restricted for special purposes. The restriction for debt service repayments represents the portion of net position which the District plans to expend on debt repayment in the ensuing year. The restriction for capital projects represents the portion of net position restricted for capital projects. It is the District's policy to first use restricted net position when allowable expenditures are incurred.

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, stores inventory and prepaid expenditures.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classifications (Continued)

C - Committed Fund Balance:

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Trustees. 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 Board of Trustees is required to remove any commitment from any fund balance. At June 30, 2014, the District had no committed fund balances.

D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Education 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. As of June 30, 2014 the board has designated the Superintendent or their designee to assign fund balances.

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, 2014, the District has established a minimum fund balance policy of 3% and has complied with the policy. At June 30, 2014, the District has not established a stabilization arrangement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Secured property taxes are attached as an enforceable lien on property as of March 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The County of Sacramento 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 as of 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 basic 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements

In March 2012, the GASB issued GASB Statement No. 66, Technical Corrections – 2013, an amendment of GASB Statements No. 10 and No. 61. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 64, Fund Balance Reporting and Governmental Fund Type Definitions, and Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements. This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, Districts should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement No. 54 and Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. This Statement also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, Accounting for Operating Leases with Scheduled Rent Increases, and result in guidance that is consistent with the requirements in Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively. This statement was adopted for the District's fiscal year ended June 30, 2014, with no material impact in the District.

In June 2012, the GASB issued Statement No. 67, Financial Reporting for Pension Plans. This Statement replaces the requirements of Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and Statement No. 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement No. 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. This statement was adopted for the District's fiscal year ended June 30, 2014, with no material impact in the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements (Continued)

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This Statement is effective for the District's fiscal year ending June 30, 2015. Management has not determined what impact this GASB statement will have on its financial statements, however it is expected to be significant.

In November 2013 GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68 and are effective for the District's fiscal year ending June 30, 2015. Management has not determined what impact this GASB statement will have on its financial statements.

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2014 are reported at fair value and consisted of the following:

	Governmental Funds	Fiduciary Activities
Pooled Funds:		
Cash in County Treasury	$ 6,438,668	$ -
Cash awaiting deposit	7,949	-
Deposits:		
Cash on hand and in banks	131	47,347
Cash in revolving fund	6,857	-
Investments:		
Cash with Fiscal Agent	974,443	-
Total cash and investments	$ 7,428,048	$ 47,347

Pooled Funds

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

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pooled investment fund does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the Sacramento County Treasurer may invest in derivative securities. However, at June 30, 2014, the Sacramento County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Deposits - Custodial Credit Risk - Deposits

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, 2014, the carrying amount of the District's accounts was $54,335 and the bank balance was $65,582, all of which was insured.

2. CASH AND INVESTMENTS (Continued)

Investments

The Cash with Fiscal Agent represents debt proceeds that have been set aside for capital asset expenditures. These amounts are held by a third party custodian in the District's name as a fiscal agent.

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, 2014, 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, 2014, the District had no concentration of credit risk.

3. INTERFUND TRANSACTIONS

Interfund Activity

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

Interfund Receivables/Payables

Individual interfund receivable and payable balances at June 30, 2014 were as follows:

Fund	Interfund Receivables	Interfund Payables
Major Funds:		
General	$ 124,665	$ 69,124
Capital Facilities	66,078	-
Non-Major Funds:		
Child Development	3,046	58,721
Cafeteria	-	65,944
Totals	$ 193,789	$ 193,789

3. INTERFUND TRANSACTIONS (Continued)

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2013-2014 fiscal year were as follows:

Transfer from the Child Development Fund to the General Fund for indirect costs.	$ 58,721
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	65,944
	$ 124,665

4. CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2014 is shown below:

Governmental Activities	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Non-depreciable:				
Land	$ 1,391,065	$ -	$ -	$ 1,391,065
Work-in-process	866,752	7,362,265	-	8,229,017
Depreciable:				
Buildings	24,797,241	61,625	-	24,858,866
Site improvements	4,174,918	-	-	4,174,918
Equipment	1,966,055	-	-	1,966,055
Totals, at cost	33,196,031	7,423,890		40,619,921
Less accumulated depreciation:				
Buildings	(10,007,233)	(825,378)	-	(10,832,611)
Site improvements	(3,765,872)	(47,937)	-	(3,813,809)
Equipment	(1,457,544)	(68,881)	-	(1,526,425)
Total accumulated depreciation	(15,230,649)	(942,196)	-	(16,172,845)
Capital assets, net	$ 17,965,382	$ 6,481,694	$ -	$ 24,447,076

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 750,038
Supervision of Instruction	19,815
Library	7,310
Site Administration	53,668
Other Pupil Services	14,934
Home to School	17,763
Food Services	17,357
General Administration	55,054
Centralized Data Processing	3,371
Plant Services	2,886
Total depreciation expense	$ 942,196

5. LONG-TERM LIABILITIES

General Obligation Bonds

1992 General Obligation Bonds, Series C 2000

On June 1, 2000, the District issued Series C 2000 General Obligation Bonds in the amount of $2,709,986 and $1,090,000 for acquisition, construction, and completion of improvements of the Districts's existing educational facilities. The Capital Appreciation Serial Bonds accrue interest up to a maximum of 6.39%. The current interest serial bonds accrue interest up to a maximum of 5.5%. The Bonds are scheduled to mature through August 2024 as follows:

Year Ended June 30,	Principal	Interest	Total
2015	$ 15,000	$ 825	$ 15,825
2016	80,642	29,418	110,060
2017	80,185	50,753	130,938
2018	78,036	72,027	150,063
2019	191,198	236,449	427,647
2020-2024	1,901,592	2,801,039	4,702,631
2025	378,333	836,265	1,214,598
	$ 2,724,986	$ 4,026,776	$ 6,751,762

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

1992 General Obligation Bonds, Series D 2003

On December 13, 2003, the District issued Series D 2003 General Obligation Bonds in the amount of $2,899,956 and $100,000 for acquisition, construction, and completion of improvements of the Districts's existing educational facilities. The Capital Appreciation Serial Bonds accrue interest up to a maximum of 4.63%. The Current Interest Serial Bonds accrue interest up to a maximum of 4.63%. The Bonds are scheduled to mature through August 2028 as follows:

Year Ended June 30,	Principal	Interest	Total
2015	$ -	$ 9,250	$ 9,250
2016	-	9,250	9,250
2017	-	9,250	9,250
2018	-	9,250	9,250
2019	-	9,250	9,250
2020-2024	560,340	805,266	1,365,606
2025-2029	2,439,616	3,477,174	5,916,790
	$ 2,999,956	$ 4,328,690	$ 7,328,646

1992 General Obligation Bonds, Refunding Series 2003

On December 3, 2003, the District issued Refunding Series 2003 General Obligation Bonds in the amount of $4,070,000, for addition and modernization of school facilities and to refund outstanding District 1992 Series A Bonds with resources from the Bond issue. The bonds bear interest rates from 1.0% to 3.75% and are scheduled to mature through August 2016 as follows:

Year Ended June 30,	Principal	Interest	Total
2015	$ 385,000	$ 41,100	$ 426,100
2016	405,000	25,300	430,300
2017	430,000	8,600	438,600
	$ 1,220,000	$ 75,000	$ 1,295,000

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

1992 General Obligation Bonds, Series 2007 E-Final

On February 8, 2007, the District issued Series 2007-E Final General Obligation Bonds in the amount of $5,454,940 and $1,345,000 to improve or construct school facilities. The Capital Appreciation Serial Bonds accrue interest up to a maximum of 4.56%. The Current Interest Serial Bonds accrue interest up to a maximum of 4.77%. The Bonds are scheduled to mature through August 2032 as follows:

Year Ended June 30,	Principal	Interest	Total
2015	$ -	$ 53,800	$ 53,800
2016	274,983	99,344	374,327
2017	291,127	122,951	414,078
2018	311,304	151,208	462,512
2019	-	53,800	53,800
2020-2024	1,400,552	176,573	1,577,125
2025-2029	1,060,730	919,047	1,979,777
2030-2033	3,461,244	6,247,698	9,708,942
	$ 6,799,940	$ 7,824,421	$ 14,624,361

1992 General Obligation Bonds, Series 2011 F

On December 29, 2011, the District issued Series 2011 F General Obligation Bonds in the amount of $3,000,000, to rehabilitate and modernize existing school facilities in the District. The Current Interest Bonds accrue interest up to a maximum of 6.143%. The Bonds are scheduled to mature through August 2032 as follows:

Year Ended June 30,	Principal	Interest	Total
2018	$ 155,000	$ 161,610	$ 316,610
2019	250,000	152,206	402,206
2020-2024	1,230,000	561,179	1,791,179
2025-2029	925,000	298,703	1,223,703
2030-2033	440,000	27,029	467,029
	$ 3,000,000	$ 1,200,727	$ 4,200,727

5. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

1992 General Obligation Bonds, Series 2011 G

On December 29, 2011, the District issued Series 2011 G General Obligation Bonds in the amount of $4,860,221, to rehabilitate and modernize existing school facilities in the District. The Capital Appreciation Serial Bonds accrue interest up to a maximum of 6.510%. The Bonds are scheduled to mature through August 2036 as follows:

Year Ended June 30,	Principal	Interest	Total
2030-2034	$ 1,976,373	$ 5,564,362	$ 7,540,735
2035-2037	2,883,848	10,093,353	12,977,201
	$ 4,860,221	$ 15,657,715	$ 20,517,936

1992 General Obligation Bonds, Series 2011 H

On December 29, 2011, the District issued Series 2011 Series H General Obligation Bonds in the amount of $135,000, to rehabilitate and modernize existing school facilities in the District. The Current Interest Bonds accrue interest up to a maximum of 6.143%. The Bonds are scheduled to mature through August 2019 as follows:

Year Ended June 30,	Principal	Interest	Total
2015	$ -	$ 6,269	$ 6,269
2016	-	6,269	6,269
2017	-	6,269	6,269
2018	-	6,269	6,269
2019	-	6,269	6,269
2020	135,000	3,135	138,135
	$ 135,000	$ 34,480	$ 169,480

5. LONG-TERM LIABILITIES (Continued)

Schedule of Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the year ended June 30, 2014 is shown below:

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014	Amounts Due Within One Year
Governmental activities:					
General Obligation Bonds	$ 22,140,103	$ -	$ 400,000	$ 21,740,103	$ 400,000
Accreted interest	9,560,742	1,393,422	523,159	10,431,005	326,734
Net OPEB liability (Note 8)	501,583	208,633	127,969	582,247	-
Compensated absences	150,807	52,192	-	202,999	-
	$ 32,353,235	$ 1,654,247	$ 1,051,128	$ 32,956,354	$ 726,734

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on net OPEB liability and compensated absences are made from the fund for which the related employee worked.

6. NET POSITION / FUND BALANCES

Restricted net position consisted of the following at June 30, 2014:

	Governmental Activities
Restricted for unspent categorical program revenues	$ 1,026,624
Restricted for special revenues	702,378
Restricted for debt service	1,210,588
Restricted for capital projects	1,264,395
Total restricted net position	$ 4,203,985

6. NET POSITION / FUND BALANCES (Continued)

Fund balances, by category, at June 30, 2014 consisted of the following:

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest Redemption Fund	All Non-Major Funds	Total
Nonspendable:						
Revolving cash fund	$ 6,857	$ -	$ -	$ -	$ -	$ 6,857
Stores inventory	-	-	-	-	6,777	6,777
Prepaid Expenditures	2,700	-	-	-		2,700
Subtotal nonspendable	9,557	-	-	-	6,777	16,334
Restricted:						
Unspent categorical revenues	1,026,624	-	-	-	-	1,026,624
Capital projects	-	554,019	1,133,476	-	130,919	1,818,414
Special revenues	-	-	-	-	695,601	695,601
Debt service	-	-	-	1,210,588	-	1,210,588
Subtotal restricted	1,026,624	554,019	1,133,476	1,210,588	826,520	4,751,227
Assigned						
LCFF reserve	875,500	-	-	-	-	875,500
District wide technology replacement	500,000	-	-	-	-	500,000
Compensation increases	750,000	-	-	-	-	750,000
Modernization payoff	225,000	-	-	-	-	225,000
Subtotal assigned	2,350,500	-	-	-	-	2,350,500
Unassigned:						
Designated for economic uncertainty	875,500	-	-	-	-	875,500
Unassigned	399,948	-	-	-	-	399,948
Subtotal unassigned	1,275,448	-	-	-	-	1,275,448
Total fund balances	$ 4,662,129	$ 554,019	$ 1,133,476	$ 1,210,588	833,297	$ 8,393,509

7. EMPLOYEE RETIREMENT SYSTEMS

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

Plan Description and Provisions

California Public Employees' Retirement System (CalPERS)

Plan Description

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

Funding Policy

Active plan members are required to contribute 7% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2013-2014 was 11.442% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2012, 2013 and 2014 were $318,924, $335,713 and $374,770, respectively, and equal 100% of the required contributions for each year.

State Teachers' Retirement System (STRS)

Plan Description

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Description and Provisions (Continued)

State Teachers' Retirement System (STRS) (Continued)

Funding Policy

Active plan members are required to contribute 8% of their salary. The required employer contribution rate for fiscal year 2013-2014 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to STRS for the fiscal years ending June 30, 2012, 2013 and 2014 were $788,931, $772,355 and $831,970, respectively, and equal 100% of the required contributions for each year. On June 24, 2014 the Governor signed Assembly Bill 1469 which will increase the member contribution to 19.1% over the next seven years.

8. OTHER POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description

Robla School District's provides postemployment health care benefits for life to all classified employees hired prior to April 21, 1993 (up to age 65 if hired April 21, 1993 or later), who are eligible for CalPERS retirement and who have over 10 years of service. Certificated employees who retire after July 1, 1990, complete 15 years of consecutive service, and enter the retirement system upon leaving the District are eligible to receive medical benefits until they reach age 65. As of June 30, 2014 the District had not established an irrevocable trust or designated a trustee for the payment of plan benefits. As such, there is no separately issued report of the plan.

Funding Policy

The contribution requirements of the District are established and may be amended by the Board of Education. The required contribution is based in projected pay-as-you-go financing requirements, with an amount to fund the actuarial accrued liability as determined annually by the Board. For fiscal year ended June 30, 2014, the District contributed $127,969 to the plan.

8. OTHER POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based in the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Cod. Sec. P50.108-.109. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Annual required contribution	$ 178,178
Interest on net OPEB obligation	25,079
Adjustment to annual required contribution	5,376
Annual OPEB cost (expense)	208,633
Contributions made	(127,969)
Increase in net OPEB obligation	80,664
Net OPEB obligation - beginning of year	501,583
Net OPEB obligation - end of year	$ 582,247

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2014 and preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	$ 178,663	90%	$ 501,583
June 30, 2013	$ 137,730	67%	$ 501,583
June 30, 2014	$ 208,633	61%	$ 582,247

Funded Status and Funding Progress

As of September 13, 2012, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was $1.5 million, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $1.5 million. For fiscal year ending June 30, 2014, the covered payroll (annual payroll of active employees covered by the plan) was $12.3 million, and the ratio of the UAAL to the covered payroll was 13 percent. The Schedule of Funding Progress is presented as Required Supplementary Information. The OPEB plan is currently operated as a pay-as-you-go plan.

8. OTHER POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 13, 2012, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5 percent investment rate, an annual healthcare cost trend rate of 4 percent. Both rates included a 3 percent inflation rate assumption. The UAAL is being amortized as a level percentage of projected payroll. The remaining amortization period at June 30, 2014, was 29 years.

9. JOINT POWERS AGREEMENT

Schools Insurance Authority

The District is a member with other school districts of a Joint Powers Authority, Schools Insurance Authority (SIA), for the operation of a common risk management and insurance program for property and liability coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The following is a summary of financial information for SIA at June 30, 2014:

Total assets	$ 113,740,483
Total liabilities	$ 48,361,972
Total net position	$ 65,378,511
Total revenues	$ 41,969,923
Total expenses	$ 39,001,607

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

10. 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 of future revenue offsets subsequently determined will not be material.

REQUIRED SUPPLEMENTARY INFORMATION

ROBLA SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2014

	Budget			Variance
	Original	**Final**	**Actual**	**Favorable (Unfavorable)**
Revenues:				
Local Control Funding Formula (LCFF):				
State apportionment	$ 7,047,003	$ 10,398,845	$ 10,092,820	$ (306,025)
Local sources	3,608,601	3,454,128	4,168,492	714,364
Total LCFF	10,655,604	13,852,973	14,261,312	408,339
Federal sources	1,446,416	1,576,441	1,527,787	(48,654)
Other state sources	3,090,208	927,685	1,184,280	256,595
Other local sources	1,343,115	1,348,358	1,519,918	171,560
Total revenues	16,535,343	17,705,457	18,493,297	787,840
Expenditures:				
Certificated salaries	9,038,787	9,179,932	9,468,839	(288,907)
Classified salaries	2,552,182	2,856,585	2,770,311	86,274
Employee benefits	3,076,253	3,130,014	2,886,613	243,401
Books and supplies	932,679	1,247,197	926,845	320,352
Contract services and operating expenditures	1,390,969	1,478,614	1,347,610	131,004
Capital outlay	175,527	340,064	72,661	267,403
Other outgo	69,200	51,948	103,069	(51,121)
Total expenditures	17,235,597	18,284,354	17,575,948	708,406
(Deficiency) excess of revenues (under) over expenditures	(700,254)	(578,897)	917,349	1,496,246
Other financing sources (uses):				
Operating transfers in	109,583	109,583	124,665	15,082
Operating transfers out	(25,556)	(25,556)	-	25,556
Total other financing sources	84,027	84,027	124,665	40,638
Change in fund balance	(616,227)	(494,870)	1,042,014	1,536,884
Fund balance, July 1, 2013	3,620,115	3,620,115	3,620,115	-
Fund balance, June 30, 2014	$ 3,003,888	$ 3,125,245	$ 4,662,129	$ 1,536,884

See accompanying notes to required supplementary information.

ROBLA SCHOOL DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)
FUNDING PROGRESS

For the Year Ended June 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2009	$ -	$ 2,003,017	$ 2,003,017	0%	$ 12,374,415	16.19%
September 13, 2012	$ -	$ 1,539,412	$ 1,539,412	0%	$ 12,155,885	12.66%

Only two years of actuarial valuation data is provided because the District has only had two valuations performed.

See accompanying notes to required supplementary information.

ROBLA SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. PURPOSE OF SCHEDULES

A - 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 Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budget for the General is presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

Excess of expenditures over appropriations for the year ended June 30, 2014 were as follows:

Fund	Excess Expenditures
General Fund:	
Certificated salaries	$ 288,907

B - Schedule of Other Postemployment Benefits Funding Progress

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarially accrued liability for benefits with the actuarial value of accumulated plan assets.

SUPPLEMENTARY INFORMATION

ROBLA SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR FUNDS

June 30, 2014

	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	County School Facilities Fund	Special Reserve for Capital Outlay Fund	Total
ASSETS						
Cash and investments						
Cash in County Treasury	$ 27,395	$ 382,751	$ 284,745	$ 1,010	$ 129,789	$ 825,690
Collections awaiting deposit	-	371	-	-	-	371
Receivables	87,771	74,730	251	-	120	162,872
Due from other funds	3,046		-	-	-	3,046
Stores inventory	-	6,777	-	-	-	6,777
Total assets	$ 118,212	$ 464,629	$ 284,996	$ 1,010	$ 129,909	$ 998,756
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 15,338	$ 6,287	$ -	$ -	$ -	$ 21,625
Unearned revenue	19,169	-	-	-	-	19,169
Due to other funds	58,721	65,944	-	-	-	124,665
Total liabilities	93,228	72,231	-	-	-	165,459
Fund balances:						
Nonspendable	-	6,777	-	-	-	6,777
Restricted	24,984	385,621	284,996	1,010	129,909	826,520
Total fund balances	24,984	392,398	284,996	1,010	129,909	833,297
Total liabilities and fund balances	$ 118,212	$ 464,629	$ 284,996	$ 1,010	$ 129,909	$ 998,756

ROBLA SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES

ALL NON-MAJOR FUNDS

For the Year Ended June 30, 2014

	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	County School Facilities Fund	Special Reserve for Capital Outlay Fund	Total
Revenues:						
Federal sources	$ 116,253	$ 1,338,664	$ -	$ -	$ -	$ 1,454,917
Other state sources	1,177,959	109,189	-	-	-	1,287,148
Other local sources	57,299	1,042	251		120	58,712
Total revenues	1,351,511	1,448,895	251		120	2,800,777
Expenditures:						
Certificated salaries	518,276	-	-	-	-	518,276
Classified salaries	449,650	453,319	-	-	-	902,969
Employee benefits	206,406	160,662	-	-	-	367,068
Books and supplies	46,987	666,131	-	-		713,118
Contract services and operating expenditures	57,505	25,716	15,764	-	-	98,985
Capital outlay	-		40,330	-	-	40,330
Total expenditures	1,278,824	1,305,828	56,094	-	-	2,640,746
Excess (deficiency) of revenues over (under) expenditures	72,687	143,067	(55,843)		120	160,031
Other financing uses:						
Operating transfers out	(58,721)	(65,944)	-	-	-	(124,665)
Net change in fund balances	13,966	77,123	(55,843)		120	35,366
Fund balances, July 1, 2013	11,018	315,275	340,839	1,010	129,789	797,931
Fund balances, June 30, 2014	$ 24,984	$ 392,398	$ 284,996	$ 1,010	$ 129,909	$ 833,297

ROBLA SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Student Body Funds				
Bell Avenue Elementary				
Assets:				
Cash on hand and in banks	$ 10,945	$ 26,513	$ 30,543	$ 6,915
Liabilities:				
Due to student groups	$ 10,945	$ 26,513	$ 30,543	$ 6,915
Robla Elementary				
Assets:				
Cash on hand and in banks	$ 4,671	$ 26,743	$ 26,464	$ 4,950
Liabilities:				
Due to student groups	$ 4,671	$ 26,743	$ 26,464	$ 4,950
Main Avenue Elementary				
Assets:				
Cash on hand and in banks	$ 22,052	$ 19,481	$ 25,350	$ 16,183
Liabilities:				
Due to student groups	$ 22,052	$ 19,481	$ 25,350	$ 16,183
Glenwood Elementary				
Assets:				
Cash on hand and in banks	$ 10,492	$ 23,091	$ 25,279	$ 8,304
Liabilities:				
Due to student groups	$ 10,492	$ 23,091	$ 25,279	$ 8,304
Taylor Street Elementary				
Assets:				
Cash on hand and in banks	$ 14,346	$ 41,548	$ 44,899	$ 10,995
Liabilities:				
Due to student groups	$ 14,346	$ 41,548	$ 44,899	$ 10,995

(Continued)

ROBLA SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS
(Continued)
For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Student Body Funds (Continued)				
Total Agency Funds				
Assets:				
Cash on hand and in banks	$ 62,506	$ 137,376	$ 152,535	$ 47,347
Liabilities:				
Due to student groups	$ 62,506	$ 137,376	$ 152,535	$ 47,347

ROBLA SCHOOL DISTRICT

ORGANIZATION

June 30, 2014

Robla School District, a political subdivision of the State of California, was established in 1896. The District is located in Sacramento, and currently operates five K-6 elementary schools and a preschool program. There were no changes in the boundaries of the District during the current year.

GOVERNING BOARD

Name	Office	Term Expires
Craig DeLuz	President	2014
Kim Howard	Vice President	2016
Ken Barnes	Clerk	2016
Dennis Boyd	Member	2014
Velma Strong	Member	2014

ADMINISTRATION

Superintendent
Ruben Reyes

Chief Business Official
Michael Henkel

ROBLA SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE

For the Year Ended June 30, 2014

	Second Period Report	Revised Second Period Report	Annual Report
District			
Elementary:			
Transitional Kindergarten through Third	1,244	1,244	1,246
Fourth through Sixth	867	867	867
Special Education	4	12	4
District ADA Totals	2,115	2,123	2,117

See accompanying notes to supplementary information.

ROBLA SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

For the Year Ended June 30, 2014

Grade Level	Statutory 1986-87 Minutes Require-ment	Reduced 1986-87 Minutes Require-ment	2013-14 Actual Minutes	Number of Days Traditional Calendar	Status
District					
Kindergarten	36,000	35,000	35,137	180	In Compliance
Grade 1	50,400	49,000	49,395	180	In Compliance
Grade 2	50,400	49,000	49,395	180	In Compliance
Grade 3	50,400	49,000	49,395	180	In Compliance
Grade 4	54,000	52,500	54,840	180	In Compliance
Grade 5	54,000	52,500	54,840	180	In Compliance
Grade 6	54,000	52,500	54,840	180	In Compliance

See accompanying notes to supplementary information.

ROBLA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

For the Year Ended June 30, 2014

Federal Catalog Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expend-itures
U.S. Department of Education - Passed through California Department of Education			
	Special Education Cluster:		
84.027	Special Ed IDEA: Basic and Local Assistance Entitlement, Part B, Sec 611	13379	$ 337,738
84.027A	Special Ed: IDEA: Preschool Local Entitlement, Part B, Section 611	13682	35,156
84.173	Special Ed IDEA: Preschool Grants, Part B Part B, Sec 619	13430	48,125
84.027A	Special Ed: IDEA: Part B, Sec 611, Mental Health Services	14468	20,742
	Subtotal Special Education Cluster		441,761
	NCLB: Title III Program:		
84.365	NCLB: Title III, Immigrant Education Program	15146	8,432
84.365	NCLB: Title III, Limited English Proficiency Student Program	14346	88,749
	Subtotal NCLB: Title III Program		97,181
84.196	NCLB: Title X McKinney-Vento Homeless Children Assistance Grants	14332	63,705
84.010	NCLB: Title I, Part A, Basic Grants Low Income and Neglected	14329	804,209
84.318	NCLB: Title II, Part D, Enhancing Education Through Technology (EETT), Formula Grants	14334	2,068
84.367	NCLB: Title II, Part A, Improving Teacher Quality Local Grants	14341	106,171
84.357	NCLB: Title I, Part B, Reading First Program - LEA subgrant	14787	10,071
	Total U.S. Department of Education		1,525,166

(Continued)

ROBLA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
(Continued)
For the Year Ended June 30, 2014

Federal Catalog Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expend-itures
	U.S. Department of Health and Human Services - Passed through California Department of Education		
93.596	Child Development: Federal Child Care, Center-based	13609	$ 116,253
93.788	Dept of Health Care Services (DHCS): Medi-Cal Billing Option	10013	2,621
	Total U.S. Department of Health and Human Services		118,874
	U.S. Department of Agriculture - Passed through California Department of Education		
	Child Nutrition Cluster:		
10.555	Child Nutrition: School Programs (NSL Sec 11)	13524	1,000,908
10.553	Child Nutrition: School Programs (School Breakfast Needy)	13526	337,756
	Subtotal Child Nutrition Cluster		1,338,664
	Total U.S. Department of Agriculture		1,338,664
	Total Federal Programs		$ 2,982,704

See accompanying notes to supplementary information.

ROBLA SCHOOL DISTRICT

RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

For the Year Ended June 30, 2014

There were no audit adjustments proposed to any funds of the District.

See accompanying notes to supplementary information.

ROBLA SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

For the Year Ended June 30, 2014

(UNAUDITED)

General Fund	(Budget) 2015	2014	2013	2012
Revenues and other financing sources	$ 19,665,579	$ 18,617,962	$ 16,285,265	$ 16,455,969
Expenditures	18,868,632	17,575,948	15,884,231	16,191,045
Other uses and transfers out	93,890	-	200,000	69,200
Total outgo	18,962,522	17,575,948	16,084,231	16,260,245
Change in fund balance	$ 703,057	$ 1,042,014	$ 201,034	$ 195,724
Ending fund balance	$ 5,365,186	$ 4,662,129	$ 3,620,115	$ 3,419,081
Available reserves	$ 2,327,962	$ 1,275,448	$ 2,463,471	$ 2,446,783
Designated for economic uncertainties	$ 941,630	$ 875,500	$ 798,000	$ 798,000
Undesignated fund balance	$ 1,386,332	$ 399,948	$ 1,665,471	$ 1,648,783
Available reserves as percentages of total outgo	12.3%	7.3%	16.9%	10.1%
All Funds				
Total long-term liabilities	$ 32,229,620	$ 32,956,354	$ 32,353,235	$ 31,984,337
Average daily attendance at P-2, excluding Charter School	2,124	2,123	2,019	1,976

The General Fund fund balance has increased by $1,438,772 over the past three years. The District has incurred operating surpluses in each of the past three years, and anticipates incurring an operating surplus during the 2014-2015 fiscal year. The fiscal year 2014-2015 budget projects an increase of $703,057. For a district this size, the state recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses. For the year ended June 30, 2014, the District has met this requirement.

Total long-term liabilities have increased by $972,017 over the past two years, as shown in Note 5 to the financial statements.

Average daily attendance has increased by 147 over the past two years. The District anticipates an increase of 1 ADA for the 2014-2015 fiscal year.

See accompanying notes to supplementary information.

ROBLA SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS

For the Year Ended June 30, 2014

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

See accompanying notes to supplementary information.

ROBLA SCHOOL DISTRICT

SCHEDULE OF FIRST 5 REVENUES AND EXPENDITURES

For the Year Ended June 30, 2014

	First 5 Grant*
Revenues	
Other local sources	$ 311,025
Expenditures:	
Certificated salaries	149,626
Classified salaries	63,891
Employee benefits	52,543
Books and supplies	11,567
Contract services and operating expenditures	18,446
Indirect costs	14,952
Total Expenditures	311,025
Net income	-
Fund balance, July 1, 2013	-
Fund balance, June 30, 2014	$ -

*Revenues and expenses for the First 5 Grant are reflected in the District's General Fund. See page 23 of the financial statements for a complete presentation of the General Fund.

See accompanying notes to supplementary information.

ROBLA SCHOOL DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION

1. PURPOSE OF SCHEDULES

A - Schedule of Average Daily Attendance

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

B - Schedule of Instructional Time

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

C - Schedule of Expenditure of Federal Awards

OMB Circular A-133 requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with A-133 requirements, and is presented on the modified accrual basis of accounting.

D - 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.

E - Schedule of Financial Trends and Analysis - Unaudited

This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2014-2015 fiscal year, as required by the State Controller's Office. The information in this schedule has been derived from audited information.

F - Schedule of Charter Schools

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

NOTES TO SUPPLEMENTARY INFORMATION
(Continued)

1. PURPOSE OF SCHEDULES (Continued)

G - Schedule of First 5 Revenues and Expenditures

This schedule provides information about the First 5 Sacramento County Program.

2. EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2014, the District did not adopt this program.

Crowe Horwath LLP
Independent Member Crowe Horwath International

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

Board of Trustees
Robla School District
Sacramento, California

Report on Compliance with State Laws and Regulations

We have audited Robla School District's compliance with the types of compliance requirements described in the State of California's Standards and Procedures for Audits of California K-12 Local Educational Agencies (the "Audit Guide") to the state laws and regulations listed below for the year ended June 30, 2014.

Description	Audit Guide Procedures	Procedures Performed
Attendance Reporting	6	Yes
Teacher Certification and Misassignments	3	Yes
Kindergarten Continuance	3	Yes
Independent Study	23	No, see below
Continuation Education	10	No, see below
Instructional Time	10	Yes
Instructional Materials	8	Yes
Ratio of Administrative Employees to Teachers	1	Yes
Classroom Teacher Salaries	1	Yes
Early Retirement Incentive Program	4	No, see below
Gann Limit Calculation	1	Yes
School Accountability Report Card	3	Yes
Juvenile Court Schools	8	No, see below
Local Control Funding Formula Certification	1	Yes
California Clean Energy Jobs Act	3	No, see below
After School Education and Safety Program:		
General requirements	4	No, see below
After school	5	No, see below
Before school	6	No, see below
Education Protection Account Funds	1	Yes
Common Core Implementation Funds	3	Yes
Unduplicated Local Control Funding Formula Pupil Counts	3	Yes
Contemporaneous Records of Attendance, for charter schools	8	No, see below
Mode of Instruction, for charter schools	1	No, see below
Nonclassroom-Based Instruction/Independent Study, for charter schools	15	No, see below
Determination of Funding for Nonclassroom-Based Instruction, for charter schools	3	No, see below
Annual Instructional Minutes - Classroom-Based, for charter schools	4	No, see below
Charter School Facility Grant Program	1	No, see below

We did not perform procedures related to Independent Study because the District's reported ADA was below the materiality level that requires testing.

We did not perform any procedures related to Continuation Education or After School Education and Safety Program because the District does not offer these programs.

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

The District does not operate a Juvenile Court Schools Program; therefore, we did not perform any procedures related to the program.

We did not perform any procedures related to California Clean Energy Jobs Act or Charter School Facility Grant Program as the District did not expend funds in the current year.

The District does not have any Charter Schools; therefore, we did not perform any of the testing required by Article 4 of the Audit Guide.

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 compliance with state laws and regulations as listed above of Robla School District. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State of California's Standards and Procedures for Audits of California K-12 Local Educational Agencies. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about Robla 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 Robla School District's compliance.

Opinion with State Laws and Regulations

In our opinion, Robla School District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2014. Further, based on our examination, for items not tested, nothing came to our attention to indicate that Robla School District had not complied with the state laws and regulations.

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 Standards and Procedures for Audits of California K-12 Local Educational Agencies. Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 8, 2014

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

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
Robla School District
Sacramento, 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 Robla School District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Robla School District's basic financial statements, and have issued our report thereon dated December 8, 2014.

Internal Control Over Financial Reporting

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

We did identify deficiencies in internal control that we communicated to management as described in the accompanying Schedule of Audit Findings and Questioned Costs as findings 2014-001 and 2014-002.

Compliance and Other Matters

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

Robla School District's Responses to Findings

Robla School District's response to the findings identified in our audit are included in the accompanying Schedule of Audit Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 8, 2014

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE FIRST 5 SACRAMENTO COUNTY PROGRAM

Board of Trustees
Robla School District
Sacramento, California

Report on Compliance with the First 5 Sacramento County Program

We have audited the compliance of Robla School District with the types of compliance requirements described in the Program Guidelines for the First 5 Sacramento County Program that could have a direct and material effect on the First 5 Sacramento County Program for the year ended June 30, 2014.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the First 5 Sacramento County Program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance on Robla School District's First 5 Sacramento County Program 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 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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on First 5 Sacramento County Program occurred. An audit includes examining, on a test basis, evidence about Robla 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 the First 5 Sacramento County Program. However, our audit does not provide a legal determination on Robla School District's compliance with those requirements.

Opinion on the First 5 Sacramento County Program

In our opinion, Robla School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its First 5 Sacramento County Program for the year ended June 30, 2014.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 8, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Robla School District
Sacramento, California

Report on Compliance for Each Major Federal Program

We have audited Robla School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Robla School District's major federal programs for the year ended June 30, 2014. Robla School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Robla 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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 Robla 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 Robla School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Robla 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, 2014.

Report on Internal Control Over Compliance

Management of Robla 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 Robla 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 OMB Circular A-133, 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 Robla 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.

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 8, 2014

FINDINGS AND RECOMMENDATIONS

ROBLA SCHOOL DISTRICT

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:		
Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	______ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	______ Yes	X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.555, 10.553	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000	
Auditee qualified as low-risk auditee?	X Yes	______ No

STATE AWARDS

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

SECTION II - FINANCIAL STATEMENT FINDINGS

2014-001 DEFICIENCY - STUDENT BODY ACCOUNTING (30000)

Criteria

Internal Controls - Safeguarding of Assets

Condition

At Main Avenue Elementary:
- There is no evidence of approval for fundraising activities.
- Individual receipts are not issued when funds are turned into the ASB; for activities that are done by multiple teachers only one receipt was issued for all funds turned in at the end of the fundraiser.

At Glenwood Elementary:
- There is no evidence of approval for fundraising activities.
- Individual receipts are not issued when funds are turned into the ASB; for activities that are done by multiple teachers only one receipt was issued for all funds turned in at the end of the fundraiser.
- There was no approval/PO for money to be spent prior to the expenditure.

Effect

There exists a risk that ASB funds could potentially be misappropriated.

Cause

Adequate internal control procedures have not been consistently followed.

Fiscal Impact

Not determinable.

Recommendations

School sites should implement the proper control procedures in order to protect ASB funds from misappropriation:
- Formal approval for fundraising activities by the Principal or other designated site personnel be performed.
- Receipts should be issued and signed when funds are deposited with the ASB Secretary.
- Expenditures should be approved prior to purchase.

Corrective Action Plan

The District agrees with the audit find and recommendations as noted will be implemented. The District will be creating a formalized ASB Procedure Manual specifically to address District policies and procedures in the 2014-2015 year.

2014-002 DEFICIENCY - VACATION ACCRUAL (30000)

Criteria

All contracts and board policies prohibit accumulation of vacation days in excess of the stated maximums.

Condition

As of June 30, 2014, there are approximately 20 employees who exceed the maximum days permitted by policy, representing an excess vacation accrual of $73,117.

Effect

Increased liability to the District, to be paid in future years based on the overaccrual.

Cause

The District is not enforcing policy and contract language regarding vacation accrual.

Fiscal Impact

As of June 30, 2014, the excess vacation accrual is $73,117.

Recommendations

The District should enforce the requirements set in the collective bargaining contracts and District policy.

Corrective Action Plan

The District agrees with the audit finding and will implement procedures to ensure employees use vacation so balances do not exceed the maximum carryover allowed.

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2014

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

ROBLA SCHOOL DISTRICT

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)
Year Ended June 30, 2014

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

STATUS OF PRIOR YEAR

FINDINGS AND RECOMMENDATIONS

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Year Ended June 30, 2014

Finding/Recommendation	Current Status	District Explanation If Not Fully Implemented
2013-01 The District has allowed employees to accrue vacation days exceeding the Board approved maximum of 21 days. The District should enforce the requirements set in the collective bargaining contracts and District policy.	Not implemented.	See current year finding 2014-002.

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

THE INFORMATION IN THIS APPENDIX E CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT AND THE UNDERWRITER BELIEVE TO BE RELIABLE, BUT THE DISTRICT AND THE UNDERWRITER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company ("DTC") will act as securities depository for the Robla School District (the "District") in connection with its General Obligation Bonds, Election of 2014, Series 2015A (the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security will be issued for each maturity within each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 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.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

Redemption proceeds, distributions, and other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, 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 or the District subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and other payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, security certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC and the requirements of the District Resolution with respect to certificated Bonds will apply.

THE DISTRICT, THE COUNTY, THE PAYING AGENT, THE FINANCIAL ADVISOR AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT

PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SECURITIES (1) PAYMENTS OF PRINCIPAL OF AND INTEREST EVIDENCED BY THE SECURITIES, (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE SECURITIES, OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE SECURITIES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NEITHER THE DISTRICT, THE COUNTY, THE PAYING AGENT, THE FINANCIAL ADVISOR NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON SECURITIES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE TRUST AGREEMENT; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE SECURITIES.

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APPENDIX F

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

__________, 2015

Robla School District
5248 Rose Street
Sacramento, California 95838

Re: $6,400,000 Robla School District General Obligation Bonds, Election of 2014, Series 2015A

Ladies and Gentlemen:

We have acted as Bond Counsel to the Robla School District, County of Sacramento, State of California (the "District"), in connection with the issuance by the District of $6,400,000 aggregate principal amount of its General Obligation Bonds, Election of 2014, Series 2015A (the "Bonds"). The Bonds are issued pursuant to Section 53506 *et seq*. of the Government Code of the State of California, as amended, and the resolution adopted by the Board of Trustees of the District on December 11, 2014 (the "Resolution"). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

As Bond Counsel, we have examined copies, certified to us as being true and complete copies, of the proceedings of the District for the authorization and issuance of the Bonds. In connection thereto, we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion. We have, with your approval, assumed that all items submitted to us as originals are authentic and that all items submitted to us as copies conform to the originals.

On the basis of such examination, our reliance upon the assumptions contained herein and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The Bonds have been duly authorized and issued and constitute legally valid and binding obligations of the District, enforceable in accordance with their terms and the terms of the Resolution.

2. The Bonds are payable solely from and are secured by a pledge of *ad valorem* taxes which may be levied without limitation as to rate or amount upon all taxable real property in the District, and which, under the laws now in force with respect to the Bonds, may be levied within the limit prescribed by law upon all taxable personal property in the District, and from other available funds as set forth in the Resolution.

3. The Resolution has been duly authorized by the District and constitutes the legally valid and binding obligations of the District, enforceable in accordance with their terms. The Bonds, assuming due authentication by the Paying Agent, are entitled to the benefits of the Resolution.

4. The Internal Revenue Code of 1986, as amended (the "Code") sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for

interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Resolution and the tax and nonarbitrage certificate executed by the District in connection with the issuance of the Bonds (the "Tax Certificate"), the District has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the District has made certain representations and certifications in the Resolution and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

5. Interest on the Bonds is exempt from personal income taxes of the State of California under present state law.

6. Bond Counsel is further of the opinion that the difference between the principal amount of the Bonds maturing on August 1, 2029, August 1, 2039, and August 1, 2044 (collectively, the "Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment.

The opinions set forth in paragraphs 1, 2, and 3 above (i) assume that the Paying Agent has duly authenticated the Bonds and (ii) are subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws), (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and (c) the limitations on legal remedies against government entities in the State of California.

In rendering the opinions set forth in paragraphs 4 and 6 above, we are relying upon representations and covenants of the District in the Tax Certificate concerning the investment and use of Bond proceeds, the rebate to the federal government of certain earnings thereon, and the use of the property and facilities financed with the proceeds of the Bonds. In addition, we have assumed that all such representations are true and correct and that the District will comply with such covenants. We express no opinion with respect to the exclusion of the interest on the Bonds from gross income under Section 103(a) of the Code in the event that any of such representations are untrue or the District fails to comply with such covenants, unless such failure to comply is based on our advice or opinion.

Except as stated in paragraphs 4 through 6, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

No opinion is expressed herein on the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds. This opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters.

Our opinions are limited to matters of California law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions. We call attention to the fact that the opinions expressed herein and the exclusion of interest on the Bonds from gross income for federal income tax purposes may be affected by actions taken or omitted or events occurring or failing to occur after the date hereof. We have not undertaken to determine, or inform any person, whether any such actions are taken, omitted, occur or fail to occur.

Respectfully submitted,

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APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is entered into as of February 18, by Robla School District (the "District") for the benefit of the Owners and Beneficial Owners of the Bonds (as hereinafter defined) in connection with the issuance of $6,400,000 aggregate principal amount of Robla School District General Obligation Bonds, Election of 2014, Series 2015A (the "Bonds").

WITNESSETH:

WHEREAS, pursuant to a resolution of the Board of Trustees of the District, the County of Sacramento (the "County") held an election at which the qualified voters of the District approved the issuance of the Bonds;

WHEREAS, the Board of Trustees of the District has adopted resolutions on December 11, 2014 and January 15, 2015, providing for the issuance of the Bonds (together, the "Resolution"); and

WHEREAS, the Underwriter with respect to the Bonds is required to comply with the provisions of Rule 15c2-12 adopted by the United States Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "1934 Act").

NOW THEREFORE, the District covenants and agrees for the benefit of the Owners and Beneficial Owners of the Bonds as follows:

SECTION 1. Definitions The following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bond Register" shall have the meaning provided in the Resolution.

"Disclosure Representative" shall mean the Superintendent of the District or his or her designee, or such other officer or employee as the District shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall initially mean the Superintendent of the District, and upon agreement with a third party, a successor Dissemination Agent designated in writing by the District.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule (defined below). Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Owner" or "Bond Owner," whenever used herein with respect to a Bond, shall mean the Person in whose name the ownership of such Bond is registered on the Bond Register.

"Paying Agent" shall have the meaning provided in the Resolution.

"Person" shall mean an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the 1934 Act, as the same may be amended from time to time.

SECTION 2. Purpose of the Disclosure Certificate This Disclosure Certificate is being executed and delivered by the District for the benefit of the Owners and the Beneficial Owners, and in order to assist the Underwriters in complying with Rule 15c2-12.

SECTION 3. Provision of Annual Reports The District shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of each fiscal year of the District, commencing with the fiscal year of the District ending June 30, 2014, provide to the MSRB copies of an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f). The Annual Report shall be in electronic format and accompanied by identifying information as is prescribed by the MSRB.

(b) Not later than 15 business days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent. If by 15 business days prior to such date, the Dissemination Agent 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 subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the contact information and format and identifying information requirements for the MSRB; and

(ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports The District's Annual Report shall contain the CUSIP numbers of the Bonds and contain or incorporate by reference the following:

(a) Audited Financial Statements of the District prepared in accordance with generally accepted accounting principles for the fiscal year ended (the "Financial Statements"); provided, however, that in the event that such Audited Financial Statements shall not be available, unaudited Financial Statements may be substituted therefor; provided, further, that Audited Financial Statements shall be provided by the District as soon as such Financial Statements become available.

(b) To the extent not included in the Financial Statements of the District, updated information for Tables 2, 3, 4, 5, 6, and 7 of the Official Statement, dated February 5, 2015 relating to the Bonds (the "Official Statement"), and in Tables C-2 and C-3 of APPENDIX C to the Official Statement, information about the District's Average Daily Attendance for the preceding Fiscal Year and the amount of bonded debt of the District as of the last day of the most recent fiscal year.

(c) If the District has received an updated actuarial report relating to its Other Post-Employment Benefits since the date of the Official Statement or, if more recent, the date of its last Annual Report (the "Updated Actuarial Report"), an update of the information in APPENDIX C to the Official Statement under the heading "THE DISTRICT – DISTRICT FINANCIAL INFORMATION – Other Post-Employment Benefits" , all based on the Updated Actuarial Report and only to the extent provided in the Updated Actuarial Report.

(d) To the extent not included in the Financial Statements of the District, the delinquency rate of ad valorem taxes for property located within the District.

SECTION 5. Reporting of Significant Events Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds. The occurrence of any of the following events with respect to the Bonds shall be a Listed Event:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

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

(vii) modifications to rights of Bond holders, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the District

(Note: For purposes of this subsection, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing 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);

(xiii) 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; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Dissemination Agent shall, within one (1) business day of obtaining actual knowledge at his or her address listed in Section 12 hereof of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and, for any Listed Event that requires the District to determine if such event is material, request that the District promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event that requires it to determine if such event would constitute material information, whether because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District obtains knowledge of the occurrence of a Listed Event that does not require it to determine if such event is material or has determined that knowledge of the occurrence of a Listed Event that requires such a determination would be material under applicable federal securities laws, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request for a determination of materiality under subsection (b), the District determines that the Listed Event would not be material under applicable federal securities laws, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB. Such notice shall include the CUSIP numbers of the Bonds.

(g) The Dissemination Agent may conclusively rely on an opinion of counsel that the District's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation The District's and the Dissemination Agent'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(f).

SECTION 7. Dissemination Agent The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent. Upon such discharge, however, a new Dissemination Agent must be appointed within 60 days. The Dissemination Agent may resign by providing 60 days written notice to the District. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. If at any time there is not any other designated Dissemination Agent, the Paying Agent shall be the Dissemination Agent. The initial Dissemination Agent shall be the Superintendent of the District.

SECTION 8. Amendment; Waiver Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that any of the following conditions is satisfied:

(i) 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 the type of business conducted;

(ii) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; or

(iii) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Owners of the Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Underwriter or the Owners of at least 25% of aggregate principal amount of the Bonds then Outstanding, shall), or any Owner or Beneficial Owner 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, and no person or entity shall be entitled to recover monetary damages under this Disclosure Certificate.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, or his or her employees and agents, harmless against any loss, expense and liabilities which he or she may incur arising out of or in the exercise or performance of his or her powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding losses, expenses and 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 12. Notices Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

To the District:

Robla School District
5248 Rose Street
Sacramento, CA 95838
Attn: Superintendent

To the Dissemination Agent:

Robla School District
5248 Rose Street
Sacramento, CA 95838
Attn: Superintendent/Dissemination Agent

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 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter, the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law THIS DISCLOSURE CERTIFICATE SHALL BE GOVERNED BY THE LAWS OF CALIFORNIA DETERMINED WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAW.

IN WITNESS WHEREOF, the District has caused this Disclosure Certificate to be executed by its proper officer thereunto duly authorized, as of the day and year first above written.

ROBLA SCHOOL DISTRICT

By ______________________________________

Chief Business Official

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: Robla School District

Name of Bond Issue: General Obligation Bonds, Election of 2014, Series 2014A

Date of Execution and Delivery: February 18, 2015

NOTICE IS HEREBY GIVEN that ROBLA SCHOOL DISTRICT, CALIFORNIA (the "**District**") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated as of February 18, 2015, entered into by the District for the benefit of the Owners of the Bonds. [The District anticipates that the Annual Report will be filed by __________.]

Dated:_______________

ROBLA SCHOOL DISTRICT,
as Dissemination Agent

By____
SUPERINTENDENT

cc: Robla School District

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APPENDIX H

SACRAMENTO COUNTY POOLED SURPLUS INVESTMENTS

The Director of Finance of the County has the delegated authority to invest funds on deposit in the County Treasury (the "Treasury Pool"). As of December, 31 2014, investments in the Treasury Pool were held for local agencies including the County, the District, and other independent and miscellaneous agencies.

Decisions on the investment of funds in the Treasury Pool are made by the County Director of Finance in accordance with established policy. In Sacramento County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Director of Finance and adopted by the Board of Supervisors on an annual basis. The Investment Policy adopted on December 2, 2014, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Public Trust
4. Maximum Rate on Return

The Director of Finance as Treasurer for the District prepares a quarterly Report of Investments (the "Investment Report") summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted quarterly to the Board of Supervisors for its review. According to the Investment Report dated December 31, 2014, the book value of the Treasury Pool was approximately $2,914,282,813 and the corresponding market value was approximately $2,915,115,025.

An internal controls system for monitoring cash accounting and investment practices is in place. The County Auditor-Controller's Division reconciles its general ledger figures to the Director of Finance's cash and investments on a daily basis. The County Auditor Controller's Division performs similar cash and investment reconciliation on a quarterly basis and regularly reviews investment transactions for conformance with the approved policies. Additionally, the County's outside independent auditor annually accounts for all investments.

The following table identifies some of the types of securities held by the Treasury Pool as of December 31, 2014.

Type of Investment	% of Portfolio at Cost
U.S. Agency, Treasury & Municipal Notes	44.70%
Repurchase Agreements	0.00
Commercial Paper	25.49
Certificates of Deposit	27.80
LAIF	2.01
Money Market Accounts	0.00

The Board of Supervisors approved the establishment of a County Treasury Oversight Committee (the "Committee") and subsequently confirmed all Committee members nominated by the Director of Finance. The Committee, which meets at least annually, is required to review and monitor for compliance the investment policies prepared by the Director of Finance.

Neither the District nor the Underwriter has made an independent investigation of the investments in the Treasury Pool and neither has made an assessment or investigation of the current County Investment Policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the approval of the County Board of Supervisors, may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein.

APPENDIX I

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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ASSURED GUARANTY
MUNICIPAL

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

Form 500NY (5/90)

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ROBLA SCHOOL DISTRICT (SACRAMENTO COUNTY, CALIFORNIA) • GENERAL OBLIGATION BONDS, ELECTION OF 2014, SERIES 2015A

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