PRELIMINARY OFFICIAL STATEMENT DATED APRIL 8, 2024

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction.

NEW ISSUE -- FULL BOOK-ENTRY

S&P Rating: "A+"
See "Rating" herein

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

$30,400,000*
GENERAL OBLIGATION BONDS OF SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
(Sacramento County and Solano County, California)
ELECTION OF 2020, SERIES 2024

Dated: Date of Delivery

Due: August 1, as set forth on inside cover

The General Obligation Bonds of School Facilities Improvement District No. 1 of the River Delta Unified School District (Sacramento County and Solano County, California) Election of 2020, Series 2024 (the "Bonds"), in the aggregate principal amount of $30,400,000* are being issued by the River Delta Unified School District (the " School District"), to provide funds to (i) finance the specific school facilities projects set forth in the ballot measure approved by the voters of School Facilities Improvement District No.1 of the River Delta Unified School District ("SFID No. 1") at an election held on November 3, 2020, and (ii) pay certain costs of issuance of the Bonds. See "The Financing Plan."

The Bonds are general obligations of SFID No. 1, payable solely from the proceeds of *ad valorem* taxes levied within the territory of SFID No. 1, which the Boards of Supervisors of Sacramento County and Solano County are empowered and obligated to levy, without limitation as to rate or amount, upon all property within SFID No. 1 (except upon certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. See "Security and Sources of Payment for the Bonds."

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

Interest on the Bonds accrues from their date of delivery and is payable on August 1, 2024, and semiannually thereafter on February 1 and August 1 of each year. Payments of principal of and interest on the Bonds will be paid by the County of Sacramento, as paying agent ("Sacramento County" or the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds.

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

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

MATURITY SCHEDULE
(on inside front cover)

The Bonds are being purchased for reoffering by __________ as underwriter of the Bonds (the "Underwriter"). The Bonds are offered when, as and if issued by the School District and received by the Underwriter, subject to the approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel to the School District. Certain legal matters will also be passed upon for the School District by Parker & Covert LLP, Sacramento, California, as Disclosure Counsel to the School District, It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company, on or about April 30, 2024.

This Official Statement is dated April __, 2024

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* *Preliminary, subject to change*

$30,400,000*
GENERAL OBLIGATION BONDS OF
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
(Sacramento County and Solano County, California)
ELECTION OF 2020, SERIES 2024

MATURITY SCHEDULE*

Maturity (August 1)	Principal Amount	Interest Rate	Price	Yield	CUSIP®†
2024	$2,630,000				768039
2025	610,000				768039
2026	615,000				768039
2027	675,000				768039
2028	740,000				768039
2029	810,000				768039
2030	890,000				768039
2031	975,000				768039
2032	1,070,000				768039
2033	1,165,000				768039
2034	1,270,000				768039
2035	1,370,000				768039
2036	1,480,000				768039
2037	1,595,000				768039
2038	855,000				768039
2039	935,000				768039
2040	1,000,000				768039
2041	1,190,000				768039
2042	1,280,000				768039
2043	1,375,000				768039
2044	1,470,000				768039
2045	1,580,000				768039
2046	1,685,000				768039
2047	1,065,000				768039
2048	1,035,000				768039
2049	1,035,000				768039

c = *Priced to August 1, 2033, par call.*

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. All rights reserved. CUSIP® numbers are provided for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter, the School District, Bond Counsel, nor Disclosure Counsel is responsible for the selection or correctness of the CUSIP® numbers set forth above.

* *Preliminary, subject to change*

RIVER DELTA UNIFIED SCHOOL DISTRICT
Sacramento County and Solano County, California

SCHOOL DISTRICT ADMINISTRATION

Katherine Wright, Superintendent
Tammy Busch, Assistant Superintendent of Business Services

BOND COUNSEL AND DISCLOSURE COUNSEL

Parker & Covert LLP
Sacramento, California

PUBLIC FINANCE CONSULTANT

Government Financial Services Joint Powers Authority
Sacramento, California

PAYING AGENT

County of Sacramento
Sacramento, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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

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

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

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

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OFFICIAL STATEMENT

$30,400,000*
GENERAL OBLIGATION BONDS OF
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1
OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
(Sacramento County and Solano County, California)
ELECTION OF 2020, SERIES 2024

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover pages, and attached appendices, is to set forth certain information concerning the issuance, sale, and delivery of the General Obligation Bonds of School Facilities Improvement District No. 1 of the River Delta Unified School District (Sacramento County and Solano County, California) Election of 2020, Series 2024 (the "Bonds"). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the Paying Agent Agreement (as defined below).

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover pages, and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The School District's Audited Financial Statements with supplemental information for the fiscal year ended June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the independent auditor's report dated March 13, 2024 of Crowe LLP, Sacramento, California (the "Auditor") are included in this Official Statement as Appendix B. It is anticipated the School Board will accept and approve the Audited Financial Statements for year ended June 30, 2023 on April 9, 2024.

School District

The River Delta Unified School District (the "School District"), becoming a unified school district in 1967, is a political subdivision of the State of California (the "State"), located in Sacramento County, Solano County and Yolo County. Encompassing approximately 500 square miles along the Sacramento River, the School District serves the cities of Rio Vista and Isleton, the communities of Birds Landing, Locke, Ryde, Walnut Grove, Hood, Courtland and Clarksburg, and other unincorporated portions of Sacramento County, Solano County and Yolo County.

The School District provides education to approximately 1,786 students in transitional kindergarten through twelfth grade as well as additional students in adult education. The School District operates four elementary schools, two middle schools, two comprehensive high schools, an alternative high school/elementary school, a continuation high school, a preschool, and an adult education program. A seven-member elected Board of Trustees (the "School Board") governs the School District. See Appendix A – "The School District – General and Financial Information" attached hereto.

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* *Preliminary, subject to change*

School Facilities Improvement District No. 1

School Facilities Improvement District No. 1 of the River Delta Unified School District ("SFID No. 1") was established by the School Board on July 20, 2004, pursuant to the provisions of the California Education Code (the "Education Code") Section 15300 *et seq.*, for the purpose of holding a bond election within the boundaries of SFID No. 1. The formation of SFID No. 1 allows the School District to finance school capital improvements from *ad valorem* property taxes levied only against property located within the designated boundaries of SFID No. 1. The boundaries of SFID No. 1 are within portions of Sacramento County and Solano County (the "Counties"), including the cities of Rio Vista and Isleton as well as unincorporated areas of the Counties, and are contiguous with the attendance boundaries of Rio Vista High School.

The School Board has the same rights, powers, duties and responsibilities with respect to the formation and governance of SFID No. 1 as it has with respect to the School District. SFID No. 1 has no legal authority beyond the issuance of approved bonds and taxation therefor.

Authority for Issuance of the Bonds

The Bonds are general obligation bonds to be issued under the provisions of the Constitution of the State of California (the "State Constitution"), the State of California Government Code (the "Government Code") and the Education Code, a resolution adopted by the School Board on March 12, 2024 (the "District Resolution"), and a paying agent agreement dated as of April 29, 2021, as supplemented by the First Supplemental Paying Agent Agreement dated as of April 1, 2024 (altogether, the "Paying Agent Agreement"), by and between the School District and Sacramento County, as paying agent (the "Paying Agent"). The Bonds represent the second series of bonds issued pursuant to an authorization approved by voters in SFID No. 1 on November 3, 2020 (the "2020 Authorization"). See "The Bonds – Authority for Issuance" for additional information.

Purpose of Issue

The Bonds are being issued to provide funds to (i) finance a portion of the school facilities projects set forth in the 2020 Authorization, including all necessary legal, financial, engineering, and contingent costs in connection therewith; and (ii) pay certain costs of issuance of the Bonds. See "The Bonds – Purpose of the Bonds."

Description of the Bonds

The Bonds are being issued as current interest bonds in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds are dated their date of delivery and mature on August 1 in each of the years and in the amounts set forth on the inside cover pages hereof. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2024. Interest on the Bonds is computed on the basis of a 360-day year comprised of 12 months of 30 days each. See "The Bonds – Description of the Bonds" herein.

Registration

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

Redemption

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as described herein. See "The Bonds – Redemption."

Security for the Bonds

The Bonds are general obligations of SFID No. 1 payable solely from *ad valorem* property taxes. The Boards of Supervisors of the Counties (the "County Boards") have the power and are obligated to annually levy *ad valorem* property taxes, without limitation as to rate or amount (except certain personal property that is taxable at limited rates), upon all property within SFID No. 1 for the payment of the principal of and interest on the Bonds. See "Security and Sources of Payment for the Bonds."

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued and received by the purchasers, subject to approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about April 30, 2024.

Tax Matters

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. Interest on the Bonds is included in adjusted financial statement income in order to compute alternative minimum tax for certain corporations for tax years beginning after December 31, 2022. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Bonds or the accrual or receipt of such interest. See "Tax Matters" herein.

Continuing Disclosure

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

Professionals Involved in the Offering

Parker & Covert LLP, Sacramento, California, is serving as Bond Counsel and Disclosure Counsel to the School District for the issuance of the Bonds. Government Financial Services Joint Powers Authority, Sacramento, California, a municipal entity (as defined under the Securities Exchange Act of 1934), is serving as Public Finance Consultant to the School District in connection with the sale of the Bonds. Sacramento County will serve as Paying Agent with respect to the Bonds. Zions Bancorporation, National Association will act as costs of issuance custodian (the "Costs of Issuance Custodian") with respect to the

Bonds. Bond Counsel, Disclosure Counsel, and the Costs of Issuance Custodian will receive compensation contingent upon the sale and delivery of the Bonds.

Other Information

The Official Statement contains brief descriptions of the Bonds, the Paying Agent Agreement, and other documents. Such descriptions are not comprehensive or definitive and are qualified in their entirety by reference to such documents. Copies of documents referred to herein and information concerning the Bonds are available from the School District, 445 Montezuma Street, Rio Vista, California 94571. The School District may impose a charge for copying, mailing and handling.

THE BONDS

Authority for Issuance

The Bonds are general obligation bonds to be issued under provisions of the State Constitution, the laws of the State, including Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the State of California Government Code, commencing with Section 53506, and applicable provisions of Title 1, Division 1, Part 10, Chapters 1 and 1.5 of the Education Code, commencing with Sections 15100 and 15264, respectively, and pursuant to the Paying Agent Agreement and the District Resolution. The Bonds represent part of the $45,700,000 2020 Authorization approved by at least 55% of the votes cast by qualified voters within the boundaries of SFID No. 1 on November 3, 2020, to provide funding for improvements to school facilities within SFID No. 1. The Bonds are the second and final series of bonds issued pursuant to the 2020 Authorization, and following the issuance thereof, there will be no remaining 2020 Authorization.

Purpose of the Bonds

Proceeds of the Bonds will be applied to (i) finance the specific school facility construction, improvements, modernization, and other 2020 Authorization projects within SFID No. 1, including all necessary legal, financial, engineering, and contingent costs in connection therewith; and (ii) pay certain costs of issuance of the Bonds.

Description of the Bonds

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

The Bonds are issuable in denominations of $5,000 (principal amount) or any integral multiple thereof. The Bonds mature on August 1, in the years and amounts set forth on the inside cover page hereof.

The Bonds are dated their date of delivery and will bear interest from such date, computed on the basis of a 360-day year comprised of 12 months of 30 days each. Interest on the Bonds is payable on August 1, 2024, and semiannually thereafter on February 1 and August 1 of each year.

Each Bond bears interest from the interest payment date (being February 1 and August 1 of each year) next preceding the date of authentication thereof, unless (i) it is authenticated as of a day during the period after the fifteenth day of the calendar month immediately preceding an interest payment date (the "Regular Record Date") to that interest payment date, both dates inclusive, in which event it will bear interest from such interest payment date, or (ii) it is authenticated on or before July 15, 2024, in which event it bears interest from its date of delivery, provided that if, at the time of authentication of a Bond, interest is in default thereon, such Bond bears interest from the interest payment date to which interest has previously been paid or made available for payment.

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

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

The Paying Agent, the School District, SFID No. 1, the Counties, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Redemption

Optional Redemption. The Bonds maturing on or before August 1, 2033 are not subject to optional redemption prior to maturity. The Bonds maturing on or after August 1, 2034 are subject to redemption prior to their respective stated maturity dates, at the option of the School District, as a whole or in part among maturities on such basis as shall be designated by the School District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2033, at the principal amount of Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

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

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

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

Notice of Redemption. When Bonds are being redeemed as described above, the Paying Agent shall mail notice of redemption not fewer than 30 nor more than 60 days prior to the redemption date by first-class mail, postage prepaid, to the respective Beneficial Owners of any Bonds designated for redemption at their addresses appearing on the Bond Register. The Paying Agent shall also file such notice of redemption on the same day with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access (EMMA) website.

Each notice of redemption shall state (a) the date of such notice; (b) the series designation of the bonds of the 2020 Authorization; (c) the date of issue of the Bonds; (d) the redemption date; (e) the redemption price; (f) the place or places of redemption (including the name and appropriate address or addresses of the Paying Agent); (g) the CUSIP number (if any) of the maturity or maturities; and (h) if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each notice of redemption shall either (a) explicitly state that the proposed redemption is conditioned on there being on deposit on the redemption date sufficient money to pay in full the redemption price of the Bonds or portions thereof to be redeemed; or (b) be sent only if sufficient money to pay in full the redemption price of the Bonds or portions thereof to be redeemed is on deposit. Each such notice shall also (a) state that on said date there will become due and payable on each of said Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption; (b) state that from and after such redemption date interest thereon shall cease to accrue; and (c) require that such Bonds be then surrendered at the address or addresses of the Paying Agent specified in the redemption notice.

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

Right to Rescind Notice. The School District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Beneficial Owners of the Bonds so called for redemption. Any optional redemption and notice thereof will be rescinded if for any reason on the date fixed for redemption moneys are not available in the fund held by the Paying Agent for the payment of principal of and interest on the Bonds to the Bondholders or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Beneficial Owner of any Bond of notice of such rescission is not a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

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

Registration, Transfer and Exchange of Bonds

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

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

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

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

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

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

Defeasance

Upon the deposit with the Paying Agent, escrow agent, or other fiduciary, at or before maturity, of money or Defeasance Securities (as defined herein) in the necessary amount as provided in the Paying Agent Agreement to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption has been given or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the School District in respect of such Bond will cease, terminate, and be completely discharged, except that thereafter (i) the registered owner thereof will be entitled to payment of the principal amount or redemption price of and interest on such Bond by the School District and the School District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent, escrow agent, or other fiduciary for their payment; and (ii) the registered owner thereof will retain its rights of transfer or exchange of Bonds. Defeasance Securities means (i) cash; (ii) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America; (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (iv) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or (v) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

THE FINANCING PLAN

The net proceeds from the sale of the Bonds, exclusive of any premium, will be transferred to the Sacramento County Director of Finance (the "Director of Finance") for deposit, on behalf of SFID No. 1, in the General Obligation Bonds of School Facilities Improvement District No. 1 of the River Delta Unified School District, Election of 2020 Building Fund, pursuant to Education Code section 15146, and used to finance 2020 Authorization projects. See "Estimated Uses and Sources of Funds."

A portion of the proceeds of the Bonds, exclusive of any premium, will be transferred to the Costs of Issuance Custodian for deposit into a costs of issuance fund of the School District to pay certain costs associated with the issuance of the Bonds. See "Estimated Uses and Sources of Funds."

The premium, if any, that is received from the sale of the Bonds will be transferred to the Director of Finance for deposit in the School Facilities Improvement District No. 1 of the River Delta Unified School District Tax Collection Fund (the "Tax Collection Fund") maintained by the Director of Finance pursuant to Education Code section 15251. Moneys deposited in the Tax Collection Fund will be used solely for the payment of principal of and interest on the general obligation bonds of SFID No. 1. See "Security and Sources of Payment for the Bonds."

The *ad valorem* property taxes levied by the Counties for the payment of the Bonds, when collected, and any premium received upon the sale of the Bonds, are required to be held by the Director of Finance in the Tax Collection Fund and used only for payment of principal of and interest on Bonds. Funds on deposit in the Tax Collection Fund will be invested through the County of Sacramento's pooled investment fund. See Appendix G – "Sacramento County Investment Results and Investment Policy."

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources:		
	Principal Amount of Bonds	$
	Net Original Issue Premium	
	Total Sources:	$
Uses:		
	Deposit to Building Fund	$
	Deposit to Tax Collection Fund	
	Costs of Issuance[(1)]	
	Total Uses:	$

(1) Includes the fees of Bond Counsel, Disclosure Counsel, Costs of Issuance Custodian, and Public Finance Consultant, Underwriter's discount, costs of legal fees, rating agency fees, and miscellaneous other costs of issuance.

DEBT SERVICE SCHEDULES

The Bonds. Debt service on the Bonds, assuming no optional redemptions (but including mandatory sinking fund redemption), is as shown in the following table.

General Obligation Bonds of
School Facilities Improvement District No. 1 of the
River Delta Unified School District
Election of 2020, Series 2024

Date	Principal	Interest	Semiannual Debt Service
August 1, 2024	$	$	$
February 1, 2025			
August 1, 2025			
February 1, 2026			
August 1, 2026			
February 1, 2027			
August 1, 2027			
February 1, 2028			
August 1, 2028			
February 1, 2029			
August 1, 2029			
February 1, 2030			
August 1, 2030			
February 1, 2031			
August 1, 2031			
February 1, 2032			
August 1, 2032			
February 1, 2033			
August 1, 2033			
February 1, 2034			
August 1, 2034			
February 1, 2035			
August 1, 2035			
February 1, 2036			
August 1, 2036			
February 1, 2037			
August 1, 2037			
February 1, 2038			
August 1, 2038			
February 1, 2039			
August 1, 2039			
February 1, 2040			
August 1, 2040			
February 1, 2041			
August 1, 2041			
February 1, 2042			
August 1, 2042			
February 1, 2043			
August 1, 2043			
February 1, 2044			
August 1, 2044			
February 1, 2045			
August 1, 2045			

Date	Principal	Interest	Semiannual Debt Service
February 1, 2046			
August 1, 2046			
February 1, 2047			
August 1, 2047			
February 1, 2048			
August 1, 2048			
February 1, 2049			
August 1, 2049			
Total	$	$	$

Upon issuance of the Bonds, scheduled debt service on the outstanding general obligation bond debt of SFID No. 1, assuming no optional redemption (but including mandatory sinking fund redemption) is shown in the following table. See Appendix A – "The School District – General and Financial Information" for more information on the School District's outstanding general obligation bond debt.

Outstanding General Obligation Bond Debt Service of School Facilities Improvement District No. 1 of the River Delta Unified School District

Year Ending (June 30)	Outstanding General Obligation Bonds	General Obligation Bonds, Election of 2020, Series 2024	Total General Obligation Bond Debt Service
2024	$2,585,798	$	$
2025	1,017,428		
2026	669,075		
2027	1,091,050		
2028	1,116,050		
2029	1,141,050		
2030	1,166,050		
2031	311,050		
2032	311,050		
2033	311,050		
2034	311,050		
2035	311,050		
2036	311,050		
2037	311,050		
2038	311,050		
2039	1,163,075		
2040	1,181,450		
2041	1,208,325		
2042	1,129,750		
2043	1,155,503		
2044	1,184,678		
2045	1,217,075		
2046	1,242,663		
2047	1,276,281		
2048	1,307,781		
2049	1,342,797		
2050	1,381,209		
Total	$26,065,488	$	$

Note: Total may not foot due to rounding.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Ad Valorem Property Taxes

Property tax revenues result from the application of the appropriate tax rate to the total net assessed value of taxable property in SFID No. 1. All property, including real, personal and intangible property, is taxable, unless granted an exemption by the State Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The California Legislature (the "State Legislature") may create additional exemptions for personal property, but not for real property. Taxes on property located in a school district or school facilities improvement district with boundaries extending into more than one county are administered separately by each county in which the property is located. SFID No. 1 is located in the Counties.

The County Boards each have the power and are obligated to annually levy *ad valorem* property taxes, without limitation as to rate or amount (except certain personal property that is taxable at limited rates), upon all property within SFID No. 1 within the respective Counties subject to taxation for the payment of principal of and interest on the Bonds. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. However, the Counties are not obligated to establish or maintain such a reserve, and the School District can make no representations that any of the Counties will do so. Such taxes are required to be levied annually, in addition to all other taxes, during the period that any Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due.

Such taxes, when collected, will be deposited into in the Tax Collection Fund maintained by the Director of Finance in the County Treasury pursuant to Education Code section 15251. The Director of Finance will transfer, at the direction of the School District, monies from the taxes collected together with other amounts on deposit in the Tax Collection Fund to the Paying Agent to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable.

Taxes on real property located within SFID No. 1 are assessed and collected by the respective Counties in the same manner, at the same time, and in the same installments as other *ad valorem* taxes on real property located in the Counties. In addition to general obligation bonds issued by the School District on behalf of SFID No. 1, other entities with jurisdiction in or overlapping with SFID No. 1 may issue debt payable from *ad valorem* taxes also levied on parcels situated in SFID No. 1. Such taxes have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as *ad valorem* taxes levied for the payment of the Bonds and other general obligation bonds of SFID No. 1.

In no event is the School District or SFID No. 1 obligated to pay principal of and interest and redemption premium, if any, on the Bonds from any source of funds other than *ad valorem* taxes. However, nothing in the District Resolution prevents the School District from making advances of its moneys, howsoever derived, to any use or purpose permitted by law.

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

Statutory Lien on *Ad Valorem* Property Tax Revenues

Senate Bill 222 ("SB 222") was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added

Section 53515 to the California Government Code to provide that voter-approved general obligation bonds which are secured by *ad valorem* tax collections, such as the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Such lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Property Tax Collection Procedures

Taxes are levied by the Counties for each fiscal year on taxable real and personal property that is situated in SFID No. 1 as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien that is sufficient, in the opinion of the respective assessors of each County (the "County Assessors"), to secure payment of the taxes. Other property is assessed on the "unsecured roll." The Director of Finance of Sacramento County and the treasurer of Solano County (together, the "County Treasurers"), in their respective capacities as tax collectors of their respective counties, are presented with a tax roll created from the combined rolls of the respective County Assessors and the State Board of Equalization ("SBE"). The County Treasurers, in their respective capacities as tax collectors of their respective counties, prepare and mail tax bills to taxpayers and collect the taxes.

Taxes on property located in a district with boundaries extending into more than one county are administered separately by each county in which the property is located. SFID No. 1 is located in the Counties. In such districts, the rate of tax is determined by the district's primary county. The primary county for SFID No. 1 is Sacramento County. The primary county directs the secondary county (i.e., Solano County with respect to SFID No. 1) to place the tax on the tax rolls. Taxes collected by the secondary county are sent to the primary county.

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

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

As long as the Teeter Plan (as defined herein) remains in effect in the Counties, the School District will be credited with the full amount of the tax levy no matter the delinquency rate within SFID No. 1. See Appendix A – "The School District – General and Financial Information – School District Financial Information – Property Taxes" herein for more information.

The following table shows a five-year history of real property tax collections and delinquencies in the portions of Solano and Sacramento Counties situated within the boundaries of SFID No. 1.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2019-20 through 2022-23

Fiscal Year	Secured Tax Charge[(1)]	Amount Delinquent June 30	% Delinquent June 30
2019-20	--	--	--
2020-21	$415,007.82	$3,109.73	0.75%
2021-22	1,195,327.38	16,150.15	1.35
2022-23	1,526,655.68	28,471.28	1.86

	Secured Tax Charge [(2)]	Amount Delinquent June 30	% Delinquent June 30
2019-20	--	--	--
2020-21	$94,628.00	$3,413.00	3.61%
2021-22	274,574.00	8,895.00	3.24
2022-23	341,684.00	12,615.00	3.69

[(1)]Bond debt service levy Solano County portion
[(2)]Bond debt service levy Sacramento County portion
Source: California Municipal Statistics, Inc.

Assessed Valuations

The assessed valuation of property in SFID No. 1 is established by the County Assessor on January 1 of each year, except for public utility property, which is assessed by the SBE. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the State Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the Consumer Price Index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners. See Appendix A – "The School District – General and Financial Information – Constitutional and Statutory Provisions Affecting District Revenues and Appropriations" for more information.

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

The School District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate SFID No. 1 assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the respective County

Treasurers against all taxing agencies who received tax revenues collected from taxpayers of that county, including SFID No. 1.

The secured roll also includes certain "utility" property, entered on the utility roll, located in the Counties but assessed by the SBE rather than by the respective County Assessors. Such property includes property owned or used by State-regulated transportation and communications utilities such as railways, telephone and telegraph companies, companies transmitting or selling gas or electricity, and pipelines, flumes, canals and aqueducts lying within two or more counties. Property assessed by the SBE is not subject to the limitation under Article XIIIA of the State Constitution, and is annually reappraised at its market value as of January 1 and then allocated by formula among all the taxing jurisdictions in the respective Counties, including SFID No. 1. The growth or decline in the assessed valuation of utility property is shared by all jurisdictions in the respective Counties. The School District can make no predictions regarding the impact of the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies on the amount of tax revenue collected. In general, the transfer of State-assessed property located in SFID No. 1 to non-utility companies will increase the assessed value of property in SFID No. 1, since the property's value will no longer be divided among taxing jurisdictions in the respective Counties; the transfer of property located and taxed in SFID No. 1 to a State-assessed utility will, in general, reduce the assessed value in SFID No. 1, as the value is shared among the other jurisdictions in the respective Counties. The greater the total assessed value of all taxable property in SFID No. 1, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds.

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

Proposition 19 was approved by voters at the statewide election held on November 3, 2020. Proposition 19 amends the State Constitution to permit eligible homeowners to transfer their tax assessment anywhere in the State, to increase the number of times that eligible homeowners may transfer their tax assessment in real property, and to require market value reassessments for inherited properties that are not used as the heir's principal residence. (See Appendix A – "The School District – General and Financial Information – Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Article XIIIA of the State Constitution.") The School District cannot predict the impact Proposition 19 it might have on aggregate assessed value of taxable property located within the boundaries of SFID No. 1.

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Shown in the following table are 10 years of the historical assessed valuation in SFID No. 1, each as of the date the equalized assessment roll is established (in or about August of each year). Total secured assessed value includes net local secured assessed value, the assessed value of the secured homeowner exemption and the assessed value on "utility" property as allocated by the SBE. Total unsecured assessed value includes net local unsecured assessed value and the assessed value of the unsecured homeowner exemption.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Year 2014-15 through Fiscal Year 2023-24

Year Ended June 30	Total Secured Assessed Value	Total Unsecured Assessed Value	Total Assessed Value	Percentage Change
2015	$1,596,430,657	$1,436,742,921	$3,033,173,578	--
2016	1,680,632,408	1,330,574,493	3,011,206,901	(0.72)%
2017	1,782,635,372	1,270,302,311	3,052,937,683	1.39
2018	1,927,338,911	1,208,509,954	3,135,848,865	2.72
2019	2,041,749,770	1,142,448,932	3,184,198,702	1.54
2020	2,227,441,606	1,038,320,875	3,265,762,481	2.56
2021	2,391,591,075	905,471,824	3,297,062,899	0.96
2022	2,512,318,837	832,456,300	3,344,775,137	1.45
2023	2,714,250,079	855,915,993	3,570,166,072	6.74
2024	2,927,064,916	861,660,403	3,788,725,319	6.12

Source: Sacramento County Assessor and Solano County Assessor.

The following table shows the historical assessed valuation in SFID No. 1 by each County.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
Assessed Valuation by County
Fiscal Year 2014-15 through Fiscal Year 2023-24

Year Ended June 30	Sacramento County Assessed Value	% of Total	Solano County Assessed Value	% of Total	Total Assessed Value
2015	$473,721,819	15.6%	$2,559,451,759	84.4%	$3,033,173,578
2016	460,003,966	15.3	2,551,202,935	84.7	3,011,206,901
2017	436,198,847	14.3	2,616,738,836	85.7	3,052,937,683
2018	464,103,590	14.8	2,671,745,275	85.2	3,135,848,865
2019	467,054,618	14.7	2,717,144,084	85.3	3,184,198,702
2020	486,866,299	14.9	2,778,896,182	85.1	3,265,762,481
2021	512,446,658	15.5	2,784,616,241	84.5	3,297,062,899
2022	536,104,747	16.0	2,808,670,390	84.0	3,344,775,137
2023	580,269,462	16.3	2,989,896,610	83.8	3,570,166,072
2024	646,312,381	16.9	3,142,412,938	83.1	3,788,725,319

Source: Sacramento County Assessor and Solano County Assessor.

The District may not issue general obligation bonds in excess of 2.50% of the assessed valuation of taxable property within its boundaries. Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the

District's bonding capacity. The District's gross bonding capacity in fiscal year 2023-24 is $94,718,133. Upon issuance of the Bonds, the District will have remaining bonding capacity of $49,993,734*.

Shown in the following table is the distribution of total assessed value among the cities and unincorporated areas encompassed by SFID No. 1 for fiscal year 2023-24.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
2023-24 Assessed Valuation by Jurisdiction(1)

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation in Jurisdiction	% of Jurisdiction in School District
City of Isleton, Sacramento County	$79,876,461	2.11%	$78,879,461	100.00%
City of Rio Vista, Solano County	2,070,708,933	54.65	2,070,708,933	100.00
Unincorporated Sacramento County	566,432,920	14.95	78,002,988,621	0.73
Unincorporated Solano County	1,071,704,005	28.29	5,935,226,922	18.06
Total District	$3,788,725,319	100.00%		
Sacramento County	$646,312,381	17.06%	$221,572,703,513	0.29%
Solano County	3,142,412,938	82.94	70,305,844,251	4.47
Total District	$3,788,725,319	100.00%		

Source: California Municipal Statistics, Inc.

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* *Preliminary, subject to change.*

Shown in the following table is a distribution of taxable real property located in SFID No. 1 by principal purpose for which the parcels are used along with the local secured assessed valuation (excluding homeowners' exemption) and number of parcels for each use for fiscal year 2023-24.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
Assessed Valuation and Parcels by Land Use

Non Residential:	2023-24 Assessed Valuation[(1)]	% of Total	No. of Parcels	% of Total
Agricultural	$419,677,526	14.34%	935	10.76%
Commercial	73,730,368	2.52	162	1.86
Vacant Commercial	7,724,926	0.26	64	0.74
Industrial	110,817,369	3.79	64	0.74
Vacant Industrial	21,815,767	0.75	69	0.79
Oil & Gas/Mineral Rights	121,032,298	4.13	209	2.41
Recreational	31,672,781	1.08	65	0.75
Government/Social/Institutional	1,201,597	0.04	91	1.05
Miscellaneous	13,724,036	0.47	442	5.09
Subtotal Non-Residential	$801,396,668	27.38%	2,101	24.18%
Residential:				
Single-Family Residence	$1,920,194,410	65.60%	5,231	60.20%
Mobile Home	47,327,526	1.62	311	3.58
Mobile Home Park	12,805,493	0.44	26	0.30
2+ Residential Units/Apartments	50,776,155	1.73	145	1.67
Vacant Residential	94,541,384	3.23	875	10.07
Subtotal Residential	$2,125,644,968	72.62%	6,588	75.82%
Total	$2,927,041,636	100.00%	8,689	100.00%

(1) Local Secured Assessed Valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

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The following table sets forth the assessed valuation of single-family homes within the boundaries of SFID No. 1 for fiscal year 2023-24.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
Per Parcel 2023-24 Assessed Valuation of Single-Family Homes

	No. of Parcels	2023-24 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	5,231	$1,920,194,410	$367,080	$381,812

2023-24 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	69	1.319%	1.319%	$2,628,321	0.137%	0.137%
$50,000 - $99,999	178	3.403	4.722	13,090,095	0.682	0.819
$100,000 - $149,999	158	3.020	7.742	20,146,3388	1.049	1.868
$150,000 - $199,999	304	5.812	13.554	54,035,326	2.814	4.682
$200,000 - $249,999	362	6.920	20.474	81,348,171	4.236	8.918
$250,000 - $299,999	451	8.622	29.096	125,045,093	6.512	15.430
$300,000 - $349,999	611	11.680	40.776	199,802,726	10.405	25.836
$350,000 - $399,999	818	15.638	56.414	307,950,617	16.037	41.873
$400,000 - $449,999	880	16.823	73.236	372,187,817	19.383	61.256
$450,000 - $499,999	668	12.770	86.006	316,057,460	16.460	77.716
$500,000 - $549,999	376	7.188	93.194	196,786,865	10.248	87.964
$550,000 - $599,999	197	3.766	96.960	112,394,231	5.853	93.817
$600,000 - $649,999	71	1.357	98.318	44,163,807	2.300	96.117
$650,000 - $699,999	31	0.593	98.910	20,767,693	1.082	97.199
$700,000 - $749,999	16	0.306	99.216	11,569,955	0.603	97.801
$750,000 - $799,999	7	0.134	99.350	5,370,295	0.280	98.081
$800,000 - $849,999	10	0.191	99.541	8,129,202	0.423	98.504
$850,000 - $899,999	5	0.096	99.637	4,381,456	0.228	98.732
$900,000 - $949,999	3	0.057	99.694	2,782,191	0.145	98.877
$950,000 - $999,999	5	0.096	99.790	4,856,565	0.253	99.130
$1,000,000 and greater	11	0.210	100.000	16,700,186	0.870	100.000
Total	5,231	100.00%		$1,920,194,410	100.000%	

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

Risk of Decline in Property Values

Assessed valuations are subject to increase or decreases in each year for a variety of reasons, including, but not limited to, general economic conditions, supply and demand for real property, government regulations concerning land use, and natural disasters. The School District makes no predictions or representations regarding the effects of any such natural disasters on taxable property within SFID No. 1, or the impacts of such natural disasters on the local and State economic conditions. A reduction of the assessed valuation of property in SFID No. 1 could necessitate an unanticipated increase in tax rates. See "—Typical Tax Rates" herein.

Earthquake. SFID No. 1 is located near the seismically active San Francisco Bay Area. Additionally, the faults of the Sierra Nevada lie to the east of SFID No. 1. Despite the distance from major faults, if a large earthquake were to occur in such areas, property within SFID No. 1 could sustain extensive damage, including from changes in water levels in nearby waterways and liquefaction of the soil resulting in damages to levees and buildings, and could adversely affect the area's economic activity.

Drought. In recent years, the State has experienced severe drought conditions. While the most recent period of severe statewide drought (2012 through 2016) adversely affected agriculture, the general economy of the State was not significantly affected. Only around 14% of the property located SFID No. 1 is in agricultural use (see the table in "—Assessed Valuation of Parcel by Land Use" herein). According to the U.S. Drought Monitor, no counties in California are in a drought. It is not possible for the School District to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the boundaries of SFID No. 1 or the extent to which the drought has had or may have in the future on the value of taxable property within SFID No. 1.

Wildfire. In recent years, portions of the State, including the Counties and adjacent counties, have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. According to the California Fire Hazard Severity Zone Map, SFID No. 1 is located in between areas at risk of moderate to very high fire hazards. Property damage due to wildfire (or subsequent flooding or mudslides) could result in a significant decrease in the assessed value of property in SFID No. 1. It is not possible for the School District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of SFID No. 1 or the extent to which wildfires may impact the value of taxable property within SFID No. 1.

Flooding. As described herein, real property within SFID No. 1 is at risk of flooding as a consequence of earthquakes, wildfires, excessive rain, and numerous other causes. Some school sites within SFID No. 1 are situated in a flood plain zone due to their locations behind the levees and adjacent to the Sacramento River. The School District maintains flood insurance from Schools Insurance Authority. Further the District continually reviews its emergency response plans and confers with the emergency services personnel of the Counties. See Appendix A – "The School District – General and Financial Information – School District Information – Joint Powers Authority and Risk Management." It is not possible for the School District to make any representation regarding the extent to which flooding could cause reduced economic activity within the boundaries of SFID No. 1 or the extent to which flooding may impact the value of taxable property within SFID No. 1.

Climate Change. Long term shifts in the Earth's temperature and weather patterns are generally referred to as "climate change." It is expected that, among other things, climate change will result in sea level rise and an increase in the frequency of extreme weather events, including, but not limited to, wildfires, drought, and flooding. More frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems, and social systems over the next 25 to 100 years. The School District cannot predict what impact climate change will have on property values in SFID No. 1.

Public Health Emergencies. In late 2019, an outbreak of a respiratory disease caused by a new strain of coronavirus ("COVID-19") resulted in an ongoing global public health crisis. The federal and State governments both declared public health emergencies and took action, along with local governments, to limit the spread of the outbreak and reduce the resulting economic impact. Nevertheless, as a result of the COVID-19 pandemic, there have been adverse and volatile financial and economic impacts worldwide. Although the public emergencies have ended, and it appears that COVID-19 is transitioning from the pandemic stage to endemic stage, investors are cautioned that, at this time, the School District cannot predict the ongoing outbreak's extent or duration or the impacts that COVID-19, or any other public health emergency that may arise, may have on its operations and finances, enrollment and average daily attendance ("ADA"), property values in SFID No. 1, and economic activity in SFID No. 1 and the State. Additionally, the School District cannot predict how future responses by federal, State or local authorities to COVID-19 or any other public health emergency may impact the School District's financial condition, the assessed value of real property in SFID No. 1, or property tax collections within SFID No. 1. For more disclosure regarding the COVID-19 emergency, see Appendix A – "The School District – General and Financial

Information – Impacts of COVID-19" and "– COVID-19 Funding," as well as other references to COVID-19 in Appendix A. The School District cannot predict whether future pandemics or other public health emergencies will emerge and whether such pandemics or health emergencies may impact the School District's finances and operations.

Proposition 19. Proposition 19, approved by voters of the State at the election held on November 3, 2020, is a State constitutional amendment that changes the manner of assessment of property when it is transferred between parents and children. Under prior law, reassessment was not triggered by such transfers, but Proposition 19 generally would result in a reassessment. The School District cannot predict the impact Proposition 19 may have in the future on the value of taxable property within SFID No. 1. See "Security and Sources of Payment for the Bonds – Assessed Valuations" and Appendix A – "The School District – General and Financial Information – Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Article XIIIA of the State Constitution."

Other. Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as fire, toxic dumping, acts of terrorism, etc., or 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).

Typical Tax Rates

The State Constitution permits the levy of an *ad valorem* property tax on taxable property not to exceed one percent of the property's full cash value, plus the amount necessary to make annual payments due on general obligation bonds or other indebtedness incurred prior to July 1, 1978, any bonded indebtedness for the acquisition or improvement or real property approved by a two-thirds majority of voters on or after July 1, 1978, and certain bonded indebtedness for school facilities approved by 55% of the voters. The Sacramento County Director of Finance, in its capacity as auditor-controller, computes the additional rate of tax necessary to pay such scheduled debt service and presents the tax rates for all taxing jurisdictions in Sacramento County to the Sacramento County Board of Supervisors, and directs the auditor-controller of Solano County to place the tax on its tax roll.

The rate of the annual *ad valorem* property tax levied by the Counties to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in SFID No. 1 and the amount of debt service due on the Bonds. A reduction in the assessed valuation of taxable property in SFID No. 1 caused by economic factors beyond the School District's control, such as economic recession, outbreaks of disease, slower growth, or deflation of land values, a relocation out of SFID No. 1 by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, a flood, a fire or wildfire, or other natural or man-made disaster, could necessitate an unanticipated increase in tax rates.

One factor in the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax on each parcel. The tables on the next page show the tax rates on the secured roll during the past five fiscal years for Tax Rate Area No. 56-015 (Sacramento County) and Tax Rate Area No. 4-028 (Solano County), which are both entirely within SFID No. 1.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
Typical Tax Rates per $100 of Assessed Valuation
Fiscal Years 2019-20 through 2023-24
(TRA 56-015 – Sacramento County)[1]

	2019-20	2020-21	2021-22	2022-23	2023-24
General Tax Rate	$1.00000	$1.00000	1.00000	1.00000	$1.00000
San Joaquin Delta Community College District	0.01990	0.01830	0.01630	0.01440	0.01350
River Delta Unified School District SFID No. 1	--	0.02150	0.05860	0.06860	0.06650
Total Tax Rate	$1.01990	$1.03980	$1.07490	$1.08300	$1.08000

[1] 2023-24 assessed valuation of TRA56-015 is $298,467,792 which is 7.88% of the district's assessed valuation.
Source: California Municipal Statistics, Inc.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
Typical Tax Rates per $100 of Assessed Valuation
Fiscal Years 2019-20 through 2023-24
(TRA 4-028 – Solano County)[1]

	2019-20	2020-21	2021-22	2022-23	2023-24
General Tax Rate	$1.00000	$1.00000	$1.00000	$1.00000	$1.00000
San Joaquin Delta Community College District	0.01990	0.01830	0.01630	0.01440	0.01350
River Delta Unified School District SFID No. 1	--	0.02150	0.05860	0.06860	0.06650
Solano County State Water Project	0.02000	0.02000	0.02000	0.02000	0.02000
Total Tax Rate	$1.03990	$1.05980	$1.09490	$1.10300	$1.10000

[1] 2023-24 assessed valuation of TRA 4-028 is $1,120,272,495 which is 29.57% of the district's assessed valuation.
Source: California Municipal Statistics, Inc.

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Largest Property Owners

The following table shows the 20 largest owners of taxable property in SFID No. 1 as determined by secured assessed valuation in fiscal year 2023-24. The more property (by assessed value) which is owned by a single taxpayer within SFID No. 1, the greater amount of tax collections that are exposed to weaknesses in such taxpayer's financial situation and ability or willingness to pay property taxes. The 20 taxpayers in SFID No. 1 with the greatest combined secured assessed valuation of taxable property on the fiscal year 2022-23 tax roll own property that comprises 16.72% of the local assessed valuation of secured property in SFID No. 1. These taxpayers, ranked by aggregate assessed value of taxable property as shown on the fiscal year 2023-24 secured tax roll, and the amount of each owner's assessed valuation for all taxing jurisdictions within the boundaries of SFID No. 1 are shown in the table below. Each taxpayer listed below is a name listed on the tax rolls. The School District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
Largest 2023-24 Local Secured Taxpayers

	Property Owner	Primary Land Use	2023-24 Assessed Valuation	% of Total[(1)]
1.	California Resources Corp	Oil & Gas/Mineral Rights	$110,775,142	3.78%
2.	Flannery Associates LLC	Agricultural	106,005,656	3.62
3.	US Row Farmland LLC	Agricultural	53,087,598	1.81
4.	Encore Liberty II LLC	Vacant Residential	26,738,280	0.91
5.	LGI Homes California LLC	Residential Development	24,766,824	0.85
6.	Gilroy Energy Center LLC	Industrial	20,608,864	0.70
7.	Solano Energy Center III LLC	Industrial	17,768,136	0.61
8.	Knob Hill Mines Inc.	Agricultural	13,700,079	0.47
9.	Ryer Island Farm LLC	Agricultural	12,337,572	0.42
10.	Richard and Marguerite Carli	Agricultural	12,336,533	0.42
11.	Sacramento Municipal Utility District	Agricultural	11,712,884	0.40
12.	Civic Liberty at Rio Vista LLC	Residential Development	11,685,546	0.40
13.	JJB Farms LP	Agricultural	10,005,794	0.34
14.	Arches Ltd.	Agricultural	9,526,362	0.33
15.	Pescandia LLC	Industrial	9,103,500	0.31
16.	Tom & Sandra Stokes Trust	Agricultural	8,577,527	0.29
17.	Bay Area Electric Railroad Association	Railroad Museum	8,244,417	0.28
18.	Planasa US Holdings LLC	Industrial	7,834,049	0.27
19	Solano Properties LLC	Residential Development	7,393,901	0.25
20.	Asta Construction Company	Commercial	7,319,057	0.25
			$489,527,721	16.72%

(1) 2023-24 Local Secured Assessed Valuation: $2,927,041,636
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Discussed and shown below is a statement of direct and overlapping bonded debt (the "Debt Report") prepared by California Municipal Statistics, Inc. on March 15, 2024. The Debt Report is included for general information purposes only. The School District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of SFID No. 1 in whole or in part. Such long-term obligations generally are not payable from revenues of the School District or SFID No. 1 (except as indicated) nor are they necessarily obligations secured by land within SFID No. 1. In many cases, long term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency. Self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations are excluded from the Debt Report. The first column in the table names each public agency which has outstanding debt as of April 1, 2024, and whose territory overlaps SFID No. 1 in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of SFID No. 1. This percentage, multiplied by the total outstanding debt of each overlapping agency (not shown) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in SFID No. 1. Property owners within the boundaries of SFID No. 1 may be subject to other special taxes and assessments levied by other taxing authorities providing services within the boundaries of SFID No. 1. Such non-*ad valorem* special taxes and assessments (which are not levied to fund debt service) are not represented in the statement of direct and overlapping bonded debt.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
As of April 1, 2024

2023-24 Assessed Valuation: $3,788,725,319

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 4/1/24
Los Rios Community College District	0.016%	$63,985
San Joaquin Delta Community College District	3.193	5,193,734
River Delta Unified School District School Facilities Improvement District No. 1	**100.**	**14,324,399** (1)
City of Rio Vista Community Facilities Districts	100.	18,585,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$38,167,118
OVERLAPPING GENERAL FUND DEBT:		
Sacramento County General Fund Obligations	0.292%	$305,653
Sacramento County Pension Obligation Bonds	0.292	1,265,221
Sacramento County Board of Education Certificates of Participation	0.292	4,803
Solano County Certificates of Participation	4.470	3,089,888
Solano County Pension Obligations	4.470	217,689
City of Rio Vista General Fund Obligations	100.	2,419,173
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$7,302,427
Less: Sacramento County supported obligations		32,297
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$7,270,130
GROSS COMBINED TOTAL DEBT		$45,469,545 (2)
NET COMBINED TOTAL DEBT		$45,437,248

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

Ratios to 2023-24 Assessed Valuation:	
Direct Debt ($14,324,399)	**0.38%**
Total Direct and Overlapping Tax and Assessment Debt	1.01%
Gross Combined Total Debt	1.20%
Net Combined Total Debt	1.20%

Source: California Municipal Statistics, Inc.

LEGAL MATTERS

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Parker & Covert LLP, Sacramento, California, Bond Counsel for the School District. The opinion of Bond Counsel with respect to the Bonds will be delivered in substantially the form attached hereto as Appendix D. Certain legal matters will also be passed upon for the School District by Parker & Covert LLP, as Disclosure Counsel.

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

TAX MATTERS

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon the analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific item of tax preference for purposes of the alternative minimum tax imposed on individuals. However, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. A complete copy of the proposed form of Opinion of Bond Counsel is set forth in Appendix D attached hereto.

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

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

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

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

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

CONTINUING DISCLOSURE

The School District has covenanted for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the School District (the "Annual Report") not later than nine months after the end of the School District's fiscal year (which currently ends on June 30), commencing with the report for the 2023-24 fiscal year due March 31, 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report and event notices will be filed by the School District with the MSRB through its EMMA website. The specific nature of the information to be contained in the Annual Report and in the event notices is described in Appendix E – "Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2 12(b)(5) (the "Rule").

A review of the School District's compliance with continuing disclosure undertakings pursuant to the Rule for the past five years indicates that all required filings of SFID No. 1 have been made in connection with prior undertaking under the Rule.

The School District has engaged Government Financial Services Joint Powers Authority to assist it in carrying out its continuing disclosure obligations for the general obligation bonds of SFID No. 1.

LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The School District is not aware of any litigation pending or threatened that (i) questions the political existence of the School District or SFID No. 1, (ii) contests the School District's ability to receive *ad valorem* property taxes or to collect other revenues or (iii) contests the School District's ability to issue and retire the Bonds.

From time to time, the School District is involved in various litigation arising from the normal course of business. In the opinion of management, the disposition of all litigation pending as of the date of this Official Statement is not expected to have a material adverse effect on the overall financial position of the School District.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") has assigned its rating of "A+" to the Bonds. Such rating reflects only the views of S&P, and an explanation of the significance of such rating may be obtained from S&P. S&P may have obtained and considered information and material which has not been included in this Official Statement. Generally, rating agencies base their ratings on information and material so furnished and on investigations, studies and assumptions made by them.

The rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that any such rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of the rating agency, circumstances so warrant. The School District has not undertaken any responsibility to assure the maintenance of the rating or to oppose any such revision or withdrawal. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

Following a competitive sale process, the Bonds will be purchased by __________ (the "Underwriter") pursuant to a bond purchase agreement (the "Bond Purchase Agreement"). The Underwriter has agreed to purchase the Bonds at a price of $__________, which equals the par amount of the Bonds ($__________), plus net original issue premium ($__________), and less underwriter's discount ($__________). The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds (if any are purchased) and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter.

ADDITIONAL INFORMATION

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

References are also made herein to certain documents and reports relating to the School District and SFID No. 1; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the School District.

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

AUTHORIZATION

The execution and delivery of this Official Statement have been duly authorized by the School District on behalf of SFID No. 1.

RIVER DELTA UNIFIED SCHOOL DISTRICT

By:____

Katherine Wright
Superintendent

APPENDIX A
THE SCHOOL DISTRICT
GENERAL AND FINANCIAL INFORMATION

The information in this Appendix concerning the operations of the School District and its finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the School District. The Bonds are payable from the proceeds of an ad valorem *property tax, approved by the voters of residing within the boundaries of SFID No. 1, pursuant to applicable laws and State Constitutional requirements, and required to be levied by the Counties on all taxable property in SFID No. 1 in an amount sufficient for the timely payment of principal of and interest on the Bonds.*

SCHOOL DISTRICT INFORMATION

Introduction

The School District is a political subdivision of the State located in the Counties and Yolo County. Encompassing approximately 500 square miles, the School District serves the cities of Rio Vista and Isleton, the communities of Birds Landing, Locke, Ryde, Walnut Grove, Hood, Courtland and Clarksburg, and other unincorporated portions of the Counties.

The School District provides education to approximately 1,786 students in transitional kindergarten through twelfth grade as well as students in adult education. The School District operates four elementary schools, two middle schools, two comprehensive high schools, an alternative high school/elementary school, a continuation high school, a preschool, and an adult education program.

Governing Board

The School District is governed by a seven-member School Board, each member of which is elected to a four-year term. Elections for positions to the School Board are held every two years, alternating between three and four available positions. Current members of the School Board, their offices, and the expiration of their terms of office are shown below.

RIVER DELTA UNIFIED SCHOOL DISTRICT
Board of Trustees

Name	Office	Term Expires (November)
Marcial Lamera	President	2026
Jennifer Stone	Vice President	2026
Randall Jelly	Clerk	2024
Wanda Apel	Trustee	2024
Rafaela Casillas	Trustee	2026
Dan Mahoney	Trustee	2026
Marilyn Riley	Trustee	2024

Superintendent and Administrative Personnel

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

Katherine Wright, Superintendent. Ms. Wright joined the School District in 2016. Prior to her appointment as Superintendent in 2019, Ms. Wright was Director of Educational Services for the School District. In previous leadership roles at the School District, she has served as Director of Curriculum, Director of GATE Programs, Director of English Learners, Coordinator of Secondary Education and as Principal of Isleton Elementary School. She also previously served as a School Improvement Facilitator for WestEd, primarily as a School Improvement Grant (SIG) implementation and leadership coach working with Stockton Unified School District.

Tammy Busch, Assistant Superintendent of Business Services. Ms. Busch joined the School District in 2021. She has served as a chief business official and an assistant superintendent of business services for over 11 years. Ms. Busch has also been employed as a classroom teacher, administrator, and Director of Educational Services. She has over 28 years of service working for public agencies, with 20 of those years being in education.

Employees

The following table sets forth the School District's historical full-time equivalent employees in all categories for fiscal years 2019-20 through 2022-23, as well as the actual full-time equivalent employees for fiscal year 2023-24 as of the Second Interim Report. These employees, except management and some part-time employees, are represented by the two bargaining units described in "Employee Relations" below.

RIVER DELTA UNIFIED SCHOOL DISTRICT
School District Employees

Year	Certificated	Classified	Management and Confidential	Total
2019-20	120.0	104.1	25.0	249.1
2020-21	123.3	99.2	26.5	249.0
2021-22	123.3	99.2	26.5	249.3
2022-23(1)	123.3	90.4	23.6	237.3
2023-24(2)	127.0	93.0	25.6	245.6

(1) Unaudited actuals 2022-23.
(2) Second Interim Report 2023-24.
Source: River Delta Unified School District.

Employee Relations

State law provides that employees of public school districts of the State are to be divided into appropriate bargaining units, which then are to be represented by an exclusive bargaining agent. The School District has two recognized bargaining agents representing its non-management employees. The River Delta Unified Teachers' Association ("RDUTA") is the exclusive bargaining unit for the non-management, certificated employees of the District. The California School Employees Association, Chapter 319 ("CSEA") is the exclusive bargaining unit for the District's non-management, classified employees. The District settled negotiations with RDUTA and CSEA for fiscal year 2023-24 with a salary increase of 8% for both RDUTA and CSEA. Increases in benefits, salary, and other amounts, as a result of the negotiations, are included in the District's audited financial statements for fiscal year 2022-23. (See Appendix B –

"Audited Financial Statements of the School District for Fiscal Year Ended June 30, 2023.") Negotiations with RDUTA and CSEA for fiscal year 2024-25 have commenced.

Retirement System

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

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

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teacher's Retirement Law. STRS is funded through a combination of investment earnings and statutorily set contributions from employee plan members, the School District and the State. Both active plan members and the School District are required to contribute at a statutorily established rate.

Historically, employee, employer, and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the statutory contributions were significantly less than the actuarially required amounts. As a result, and due in part to investment losses, the STRS defined benefit program showed an estimated unfunded actuarial obligation of approximately $88.6 billion as of June 30, 2022 (the date of the last actuarial valuation). Compared to the previous valuation, the unfunded actuarial obligation decreased in part due to greater than expected investment returns, salary increases less than assumed, additional state contributions, and contributions to pay down the unfunded actuarial obligation under the STRS Board's valuation policy.

In June 2014, the Governor signed into law Assembly Bill 1469 ("AB 1469"), which represented a legislative effort to address the unfunded liabilities with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 by requiring increased State, employer, and member contributions to the Teachers' Retirement Fund in order to eliminate such unfunded actuarial obligation by June 30, 2046.

Pursuant to AB 1469, starting July 1, 2014, the employee contribution rates increased over a three-year phase-in period. Effective July 1, 2016, STRS members hired prior to January 1, 2013 contribute a statutorily fixed percentage of 10.250% of pay. For STRS members hired after January 1, 2013, a base rate ("Normal Cost Rate") is calculated equal to one-half of the normal cost rate of benefits, rounded to the nearest quarter of one percent. This Normal Cost Rate will not be adjusted if the increase or decrease in such rate is less than 1% of creditable compensation since the last adjustment. For fiscal year 2023-24, STRS members hired after January 1, 2013 will continue to contribute 10.205% of pay.

Pursuant to AB 1469, K-14 school districts' contribution rates increased over a seven-year phase-in period through fiscal year 2020-21. For fiscal year 2021–22 and each fiscal year thereafter, the Teachers' Retirement Board shall increase or decrease the percentages paid by school districts from the percentage paid during the prior fiscal year to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Teachers' Retirement Board based upon a recommendation from its actuary. The effective employer contribution rate was 19.10% in fiscal year 2022-23 and is also 19.10% for fiscal year 2023-24.

The State's contribution to STRS reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the Teachers' Retirement Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect its contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect on July 1, 1990. For fiscal year 2023-24, the State's contribution rate is 8.328%. In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Maintenance Account (the "SBMA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance. As a result, the total State contribution for the Defined Benefit Program for fiscal year 2023-24 is 10.828%.

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The School District is part of the School Employer Pool, a "cost-sharing" pool for school employers within PERS. With the enactment of the California Public Employees' Pension Reform Act ("PEPRA") (see "California Public Employees' Pension Reform Act of 2013" herein), a member who joined PERS (a) prior to January 1, 2013 but was hired by a different PERS employer on or after January 1, 2013 following a break in service of more than six months, (b) for the first time on or after January 1, 2013 and has no prior membership in another California public retirement system, or (c) for the first time on or after January 1, 2013, and who was a member of another California public retirement system, but who is not subject to reciprocity upon joining PERS is considered a PEPRA member. PERS members who are not PEPRA members are considered Classic members. PEPRA members are required to contribute at least 50% of the total normal cost rate of their pension benefit. PEPRA contains a provision that provides when the total normal cost rate changes by more than 1% of payroll, the member contribution rate must be adjusted to half of the new normal cost rate. For fiscal year 2023-24, the total normal cost rate for PEPRA school members has not changed by more than 1% of payroll since the last member rate adjustment. As a result, for the 2023-24 fiscal year, PEPRA members will continue to contribute 8.0% of their salaries. Active plan members enrolled in PERS as Classic members are required by statute to contribute 7.0% of their salaries.

The School District is required to contribute an actuarially determined rate, which is 26.68% of eligible salary expenditures in fiscal year 2023-24, an increase from 25.37% in the prior fiscal year. One actuarial valuation is performed for those employers participating in the pool, and the same contribution rate applies to each participant.

Similar to STRS, PERS has experienced an unfunded liability in recent years. The PERS unfunded accrual liability was approximately $37.60 billion as of June 30, 2022 (the date of the last actuarial valuation). From June 30, 2021 to June 30, 2022 the funded ratio for the School Employer Pool decreased by 10.4%. This decrease in the funded ratio was due in part to investment return in 2021-22 being lower than expected. Since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, ongoing higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2023 valuation.

Among other things, to address the unfunded liability issue, the PERS Board of Administration (the "PERS Board"), in April 2013, approved changes to the PERS amortization and smoothing policy in order to reduce volatility in employer contribution rates. Additionally, in April 2014, the PERS Board established new contribution rates, reflecting changes in actuarial and demographic assumptions, that were implemented for school districts in fiscal year 2016-17. Further, in November 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS discount rate in years of good investment returns, help pay down unfunded liability, and to provide greater predictability and less volatility in contribution rates for employers. The PERS Board, in December 2016 voted to lower its discount rate from 7.5% to 7.0% by fiscal year 2020-21. Subsequently, since the preliminary returns on investment as of July 12, 2021 exceeded the prior 7.0% discount rate, pursuant to the PERS Funding Risk Mitigation Policy, the discount rate was automatically reduced by 0.2% to 6.8%. The goal for the new rates is to eliminate the unfunded liability in approximately 30 years.

School District Contributions. The School District's retirement contributions for the fiscal year ended June 30, 2023, are as follows:

RIVER DELTA UNIFIED SCHOOL DISTRICT
Retirement Contributions for Fiscal Year 2022-23

	Total Employer Contributions	School District's Fiscal Year 2022-23 Covered Payroll	Employer Contribution as a Percentage of Covered Payroll
STRS	$2,044,072	$10,702,000	19.10%
PERS	1,318,939	5,199,000	25.37

Source: River Delta Unified School District, Audited Financial Statements for Fiscal Year 2022-2023

Based on the Second Interim Report for Fiscal Year 2023-24, the School District has budgeted contributions of $3,146,556.86 for STRS (reflecting a contribution rate of 19.10% of annual payroll) and $1,598,977.91 for PERS (reflecting a contribution rate of 28.17% of annual payroll).

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

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The table on the next page summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS from their most recently released reports.

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

Plan	Accrued Liability	Value of Trust Assets	Unfunded Liability
Public Employees Retirement Fund (PERS) School Plan	$116,982 [(2)]	$79,386 [(3)]	$37,596
State Teachers' Retirement Fund (STRS) Defined Benefit Program	346,089 [(4)]	257,537 [(5)]	88,552

(1) Amounts may not add due to rounding.
(2) June 30, 2022 Valuation Date.
(3) Reflects market value of assets as of June 30, 2022.
(4) June 30, 2022 Valuation Date.
(5) Reflects actuarial value of assets as of June 30, 2022.
Source: CalPERS Schools Pool Actuarial Valuation as of June 30, 2022; STRS Defined Benefit Program Actuarial Valuation dated June 30, 2022.

Unlike PERS, STRS contribution rates for participant employers, employees and the State are set by statute and do not vary from year-to-year based on actuarial valuations. In recent years, the combined employer, employee and State contributions to STRS have been significantly less than actuarially required amounts. As a result, and due in part to investment losses, the unfunded liability of STRS had increased significantly. However, AB 1469, as discussed above, in an effort to address the unfunded liabilities of the STRS pension plan, requires increased contributions in order to eliminate the unfunded actuarial obligation of the Defined Benefit Program by June 30, 2046. Employee contributions and eligibility for retirement vary depending on whether such employee was hired on or after January 1, 2013.

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

The School District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA and/or AB 1469, as a result of negotiations with its employee bargaining units, and/or as a result of any legislative or administrative changes that may be adopted in the future regarding employer contributions to PERS and STRS. The School District cannot predict whether any projected savings by PERS' and STRS' actuaries will be realized by the School District. The School District can provide no assurances that the School District's required contributions to PERS will not increase in the future.

Although recent preliminary investment return data suggests PERS and STRS will see improved performance, the general market decline caused in part by the COVID-19 pandemic has resulted in losses for the investments held in the PERS and STRS portfolios. Such investment losses my result in increases in the School District's required contributions to PERS and STRS in future years. The School District cannot predict the amount of such increase, if any.

Other Post-Employment Benefit Obligations

In addition to the pension benefits described above, the District provides postemployment health care benefits (known as “other postemployment benefits,” or “OPEB”) as part of a single-employer defined benefit plan (the “OPEB Plan”). The OPEB Plan provides health care benefits to employees who retire from the School District on or after the age of 55 with at least 10 years of service up to the age of 65. The School District pays up to $300 per month for the purchase of health insurance, dental insurance and life insurance by the eligible retiree. The School Board administers the OPEB Plan and has the authority to establish or amend benefit terms offered by the OPEB Plan as contained within the negotiated labor agreements.

The School District participates in the California School Boards Association (“CSBA”) GASB 45 Solutions Program to pre-fund OPEB liabilities. The CSBA GASB 45 Solutions Program is an agent multiple-employer plan consisting of an aggregation of single-employer plans. Public Agency Retirement Services (“PARS”) was appointed as administrator for the CSBA GASB 45 Solutions Program, and U.S. Bank was appointed as trustee. The CSBA GASB 45 Solutions Program serves as a qualified irrevocable trust for the accumulation of assets of member districts, to ensure that funds are dedicated to service the needs of employees and retirees. The School District’s contributions to the irrevocable trust established by the CSBA GASB 45 Solutions Program is included in the Public Agencies Post-Employment Benefits Trust financial statements.

As of June 30, 2023, there were 310 participants in the OPEB Plan, including 231 active employees and 79 inactive employees, covered spouses, or beneficiaries currently receiving benefit payments.

The School District accounts for its pension costs and obligations pursuant to GASB *Statement No. 74 Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans* (“GASB 74”) and *Statement No. 75 Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions* (“GASB 75”). GASB 74 and GASB 75 require a liability for OPEB obligations, known as the net OPEB liability (the “NOL”), to be recognized on the balance sheet of the plan and the participating employer’s financial statements. In addition, an OPEB expense will be recognized on the income statement of the participating employers. In the notes to its financial statements, employers providing OPEB also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. GASB 74 and GASB 75 are directed at quantifying and disclosing OPEB obligations, and do not impose any requirement on public agencies to fund such obligations. The School District engaged Nicolay Consulting Group of San Francisco, California to conduct an actuarial study dated February 16, 2023, providing a valuation of the School District’s OPEB Plan as of June 30, 2021.

The School District’s audited financial statements for the fiscal year ended June 30, 2023, shows its total OPEB liability (the “TOL”) was $8,695,479. The School District’s fiduciary net position as of June 30, 2023, was $1,027,690, leaving an NOL of $7,667,789.

Every year, active employees earn additional future benefits, an amount known as the “service cost,” which is added to the NOL. The service cost in fiscal year 2022-23 was $631,212. The service cost increases each year based on covered payroll. OPEB expense, the amount recognized in accrual basis financial statements as the current period expense, includes the service cost, interest and certain changes in the NOL, adjusted to reflect deferred inflows and outflows. The School District’s OPEB expense for the fiscal year ended June 30, 2023 was $1,147,131.

The School District funds its OPEB liability on a “pay-as-you go” basis. The School District’s contribution to the OPEB Plan was $296,288 in fiscal year 2022-23, and are budgeted to be $169,196 in fiscal year 2023-24 as of the second interim reporting period.

Joint Powers Authority and Risk Management

The School District is a member of the following joint powers authorities: Schools Insurance Authority ("SIA") and Government Financial Services Joint Powers Authority ("GFSJPA" and together with SIA, the "JPAs").

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. SIA arranges for and provides property, liability, worker's compensation, dental and vision insurance coverage for its members. Settled claims resulting from these risks have not exceed commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from 2021-22.

The School District records an estimated liability for indemnity torts and other claims against the School District for the workers' compensation program. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

GFSJPA provides financial consulting services to member agencies and other public entities.

The relationship between the District and the JPAs is such that the JPAs are not a component unit of the School District for financial reporting purposes. The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in the School District's financial statements; however, to the extent of any fund transactions between the JPAs and the School District, such fund transactions are included in the School District's financial statements.

Cyber Security

The School District's computer hardware and software systems, along with the data it collects, processes, and maintains, are critical for the School District's ability to carry out its educational and operational functions. Such systems and data are at risk of cyber security threats from time to time. In December 2023, a ransomware attack was attempted against the School District. The attempted attack was unsuccessful because the School District's data was backed up offsite, and no ransom was paid. To the best of the School District's knowledge, in consultation with SIA and their forensic specialists, no personal identifiable information or other sensitive information concerning staff or students was obtained by the attackers. The School District, along with SIA and its team, is continuing to investigate to confirm that no personal identifiable information or other sensitive information was compromised. Other than this attempted incident, the School District is not aware of any major cyber security attacks or breaches of its systems and data during the last five years. To protect itself from cyber security attacks and breaches, the School District has implemented a multifactor authentication system and passphrases are changed automatically from time to time. The School District maintains insurance with SIA that includes cyber security coverage. Additionally, the School District receives training and support from SIA, and is working with SIA to add more security measures in light of the December 2023 incident. As a result of the School District's training and steps it has taken to protect its computer systems and data, the School District expects that any disruptions caused by a cyber attack or breach would be temporary. The School District can make no assurances that a future cyber attack or breach or attempted cyber attack or breach would not compromise private, protected, personal information that the School District collects, processes, and maintains or cause a disruption to School District operations.

SCHOOL DISTRICT FINANCIAL INFORMATION

School District Financial Statements

The School District's Audited Financial Statements with supplemental information for the fiscal year ended June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the independent auditor's report dated March 13, 2024 of Crowe LLP, Sacramento, California (the "Auditor") are included in this Official Statement as Appendix B. It is anticipated the School Board will accept and approve the Audited Financial Statements for year ended June 30, 2023 on April 9, 2024. The financial statements should be read in their entirety. The information set forth herein does not purport to be a summary of the School District's financial statements.

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

Accounting Practices

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

The financial resources of the School District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund, which accounts for all financial resources not required to be accounted for in another fund. The School District's fiscal year begins on July 1 and ends on June 30. All governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes measurable and available for the current period; and expenditures are recognized in the period in which the liability is incurred, although debt service expenditures are recorded only when payment is due. For more information on the School District's accounting method, see Appendix B – "Audited Financial Statements of the School District for Fiscal Year Ended June 30, 2023, Note 1 – Summary of Significant Accounting Policies."

School District Budget

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

Pursuant to State law, the School District adopted on June 27, 2023, a fiscal line-item budget setting forth revenues and expenditures so that appropriations during Fiscal Year 2023-24 will not exceed the sum of revenues plus beginning fund balance.

Interim Reports on Financial and Budgetary Status

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

The filing status for each of the School District's interim reports for the previous five fiscal years and the current fiscal year appears in the following table.

RIVER DELTA UNIFIED SCHOOL DISTRICT
Certifications of Interim Financial Reports

Fiscal Year	First Interim	Second Interim
2018-19	Positive	Positive
2019-20	Positive	Positive
2020-21	Positive	Positive
2021-22	Positive	Positive
2022-23	Positive	Positive
2023-24	Positive	Positive

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Comparative Financial Statements

The following table sets forth the District's audited General Fund balance sheet data for fiscal years 2018-19 through 2022-23.

RIVER DELTA UNIFIED SCHOOL DISTRICT
General Fund Balance Sheet

	2018-19 Audited	2019-20 Audited	2020-21 Audited	2021-22 Audited	2022-23 Audited
Assets					
Cash and Investments	$7,085,202	$5,872,510	$7,141,285	$12,081,378	$16,555,881
Receivables	1,317,514	2,166,166	3,223,169	2,464,433	1,411,916
Due from Other Funds	124,129	133,194	2,327	15,053	9,519
Total Assets	$8,526,845	$8,171,170	$10,366,781	$14,560,864	$17,977,316
Liabilities and Fund Balances					
Accounts Payable	$1,637,615	$1,059,283	$1,215,071	$962,774	$1,959,203
Due to Other Funds	143,901	333,476	75,000	211,675	0
Unearned Revenue	34,640	133,972	676,486	1,398,353	878,124
Total Liabilities	$1,816,156	$1,526,731	$1,966,557	$2,572,802	$2,837,327
Fund Balances					
Nonspendable	$15,000	$15,000	$0	$14,983	$14,983
Restricted	955,689	1,036,397	1,676,390	2,365,170	5,791,383
Assigned	3,657,033	2,143,411	55,564	40,752	42,016
Unassigned	2,082,967	3,450,331	6,668,270	9,567,157	9,291,607
Total Fund Balances	$6,710,689	$6,645,139	$8,400,224	$11,988,062	$15,139,989
Total Liabilities and Fund Balances	$8,526,845	$8,171,870	$10,366,781	$14,560,864	$17,977,316

Source: River Delta Unified School District

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The following table sets forth the School District's audited General Fund activity for fiscal years 2019-20 through 2022-23 and for fiscal year 2023-24 as of the Second Interim Report.

RIVER DELTA UNIFIED SCHOOL DISTRICT
General Fund Activity for
Fiscal Years 2019-20 through 2022-23 (Audited) and Fiscal Year 2023-24 (Second Interim)

	2019-20 Audited	2020-21 Audited	2021-22 Audited	2022-23 Audited	2023-24 Second Interim
Beginning Balance, GAAP Basis	$6,710,689	$6,645,139	$8,400,224	$11,988,062	$15,139,987
Audit Restatement [(1)]	0	164,473	0	0	0
Reserve – Fund 17[(2)]	n/a	n/a	n/a	n/a	42,016
Adjusted Beginning Balance	$6,710,689	$6,809,612	$8,400,224	$11,988,062	$15,097,972
Revenues					
Local Control Funding Formula	$19,689,411	$18,818,359	$21,335,151	$22,231,868	$25,063,092
Federal Revenues	885,113	2,011,067	1,460,317	3,034,199	4,296,935
Other State Revenues	2,339,467	3,083,338	3,744,862	6,723,864	4,845,291
Other Local Revenues	1,764,673	1,748,888	1,671,171	1,549,614	1,732,748
Total Revenues	$24,678,664	$25,661,652	$28,211,501	$33,539,545	$35,938,066
Expenditures					
Certificated Salaries	$9,633,567	$9,554,267	$9,864,790	$11,666,491	$12,332,331
Classified Salaries	4,027,106	3,708,814	4,493,566	4,765,405	4,910,636
Employee Benefits	5,574,222	5,165,261	5,562,319	6,706,230	8,198,289
Books and Supplies	1,248,612	1,598,789	973,098	1,519,373	4,699,939
Services/Other Operating Exp.	3,538,686	3,416,246	3,298,496	4,430,324	7,027,461
Capital Outlay	361,437	366,753	161,526	556,835	1,892,192
Other Outgo	63,796	67,938	70,919	65,044	34,878
Total Expenditures	$24,447,426	$23,878,068	$24,424,714	$29,709,702	$39,095,726
Total Other Financing Sources	($296,788)	($192,972)	($198,949)	($677,916)	$0
Net Increase (Decrease)	($65,550)	$1,590,612	$3,587,838	$3,151,927	($3,157,661)
Ending Balance	$6,645,139	$8,400,224	$11,988,062	$15,139,989	$11,940,312
Reserve – Fund 17	n/a	n/a	n/a	n/a	42,416
Ending Balance, GAAP Basis	$6,645,139	$8,400,224	$11,988,062	$15,139,989	$11,982,729

(1) The School District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, resulting in a restatement of the beginning general fund balance in fiscal year 2020-21 totaling $164,473.

(2) The School District has implemented Government Accounting Standard Board Statement No. 54, Fund Balance Reporting and Government Type Definitions ("GASB 54"), the effect of which was to reclassify and restate the School District's Special Reserve for Other than Capital Outlay Projects (Fund 17) within the General Fund. However, the School District's internal reporting does not reflect the implementation of GASB 54.

Note: Figures may not total due to rounding.

Impacts of COVID-19

Following the outbreak of COVID-19, in March 2020, governments around the world from the national to local levels, including the State and the Counties, implemented various measures to limit the spread of the virus. Such measures included temporary closings of businesses, schools, and other non-essential entities, restrictions on large gatherings, and requirements to wear masks. As a result of the global outbreak of COVID-19, health and safety measures, and the general uncertainty about the disease, financial markets experienced significant volatility and supply chains were severely disrupted. In response to these economic disruptions both the federal government and the State government took action to make various funding sources available to medical facilities, businesses, and especially LEAs.

In December of 2020, the first vaccine for COVID-19 was authorized for emergency use in the United States. By the end of February 2023, the Governor terminated the COVID-19 State of Emergency. The following May 2023, the World Health Organization stated that COVID19 was no longer a health emergency. Although COVID-19 has not been eradicated, restrictions on businesses and schools have been lifted, and other health and safety measures have been modified or removed. Over time, as more people have become vaccinated or were infected, COVID-19 infection rates and deaths have declined. As a result, experts believe COVID-19 is transitioning to an endemic stage.

The School District remained closed for the remainder of the 2019-20 school year in accordance with guidance from the Sacramento County Office of Education and the Sacramento County Public Health Department and the Governor, and implemented distance learning for all students. When the 2020-21 school year began on August 7, 2020, School District students participated in distance learning. By Spring 2021 students were able to return to campuses for in-person instruction. As an alternative, families of students who wished to remain in a virtual setting were provided with an option to do so. Instruction since the 2021-22 school year has been in-person, with detailed, written COVID-19 safety protocols, and with an option to enroll in an independent study program. On its website at https://www.rdusd.org/ the School District provides its COVID-19 Testing Plan, consistent with the guidance from the State. The information presented on the School District's website is not incorporated herein by any reference.

The School District cannot make any representation whether COVID-19, including its variants, may spread further within California (notwithstanding the general availability of vaccines and booster shots to fight the disease), or that additional limits may be placed on businesses and citizens by the local, State, and federal governments. Further, due to its evolving nature, the School District cannot predict the extent or duration of COVID-19 or what impact this outbreak, and responses by federal, State or local authorities thereto may have on assessed value of real property within the School District or the School District's financial condition and operations. The economic consequences of the COVID-19 pandemic could have a material impact on the State's financial position and budget, and as a result the School District could see a corresponding decline in revenues from the State and local property taxes. Notwithstanding the adverse impacts that this outbreak may have on the financial condition of the State, the School District, and SFID No. 1, the Bonds described herein are voter-approved general obligations of SFID No. 1 payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are *not* payable from the general fund of the School District.

COVID-19 Funding

The School District has received one-time emergency federal and State funding allocated from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and American Rescue Plan Act of 2021 (ARPA), and the Elementary and Secondary School Emergency Relief ("ESSER") Fund to address costs which may have resulted from the School District's response to the COVID-19 pandemic and the measures implemented by State and local officials. The School District additionally received SB 117 and AB 86 State funding.

The School District has been allocated over $11 million in emergency federal and State funding in connection with the COVID-19 pandemic. The School District received approximately $1.7 million in fiscal year 2019-20, approximately $1.7 million in fiscal year 2020-21, approximately $4.4 million in fiscal year 2021-22, and approximately $1.8 million in fiscal year 2022-23 (estimated actual) in combined federal and State COVID-19 funding. The School District has budgeted to receive the remainder of its allocation in fiscal year 2023-24. From the funding received, the School District spent such funds on various COVID-19-

related expenditures, including personal protective equipment, Chromebooks for students, counselors, social emotional learning materials, and PE teachers. The District has budgeted to fully spend all COVID-19-related funding by the end of fiscal year 2023-24, including carryover amounts from prior years.

Cap on School District Reserves

State regulations require school districts to budget a reserve for economic uncertainties. The recommended minimum amounts vary from 1% to 5% of total expenditures and other financing uses, depending on the district's average daily attendance. SB 858, adopted in June 2014, modified the law as it relates to ending fund balances for school districts. First, beginning in 2015–16, a school district that proposes to adopt or revise a budget that includes an ending fund balance that is two to three times higher (depending on whether a school district's average daily attendance exceeds 400,000 students) than the State's minimum recommended reserve for economic uncertainties must substantiate the need for the higher balance. Second, in a year immediately following a deposit into the Public School System Stabilization Account (Proposition 98 Rainy Day Fund) established in the State General Fund (see "Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Propositions 98 and 111 – Minimum Funding Guarantee," below), a school district's adopted or revised budget may not contain an ending fund balance higher than two to three times higher (depending on whether a school district's average daily attendance exceeds 400,000 students) than the State's minimum recommended reserve for economic uncertainties. A county superintendent could waive the prohibition, pursuant to specified conditions, for up to two consecutive years within a three-year period.

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

If the cap is triggered, unless exempted, a school district would be required to increase expenditures in order to bring its ending fund balance down to the maximum level. The Public School System Stabilization Account appears to be intended to provide a substitute for local reserves in the event of a future economic downturn. However, there is no linkage between the sizes of the State and local reserves. The School District is unable to predict what the effect on its budget will be following implementation of these rules.

The 2023-24 State Budget includes fiscal years 2021-22, 2022-23, and 2023-24 payments of approximately \$4.8 billion, \$1.8 billion, and \$902 million, respectively, into the Public School System Stabilization Account, for a balance of more than \$10.8 billion at the end of fiscal year 2023-24. (See "2023-24 Adopted State Budget.") In accordance with SB 751, the balance of \$9.9 billion in fiscal year 2022-23 triggered school district reserve caps beginning in fiscal year 2023-24.

Sources of Funding for Operations

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

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

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

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The LCFF includes the following components:

• A base grant for each local education agency per unit of average daily attendance, which varies with respect to different grade spans. The base grant funding by grade span for fiscal year 2023-24 is set forth in the table below. The base rates for grades K-3 and 9-12 are increased (see table below), to cover the costs of class size reduction in the early grades and to support college and career readiness programs in high schools. These target base rates are to be updated each year for cost-of-living adjustments ("COLAs").

Grade Span	2022-23 Base Grant per ADA	2023-24 COLA (8.22%)	Grade Span Adjustments(1)	2023-24 Base Grant/ Adjusted Base Grant per ADA
TK/K-3	$9,166	$753	$1,032	$10,951
4-6	9,304	765	n/a	10,069
7-8	9,580	787	n/a	10,367
9-12	11,102	913	312	12,327

(1) K-3 adjustment is 10.4% for class size reduction; 9-12 adjustment is 2.6% for career technical education.

Source: California Department of Education – Funding Rates and Information, Fiscal Year 2023-24

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

• School districts whose qualifying student populations (i.e., EL, FRPM, and foster youth pupils) exceed 55% of their total enrollment will receive an additional "concentration" grant equal to 65% of the applicable adjusted base rate multiplied by the percentage of such district's qualifying student enrollment above the 55% threshold.

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

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

• Commencing with fiscal year 2022-23, school districts will receive an add-on for costs related to implement a ratio of one adult for every 12 pupils in transitional kindergarten classrooms.

The LCFF was implemented for fiscal year 2013-14 and was phased in over a multi-year period. School districts received annual funding increases based on the difference between their respective prior-year funding level and the target LCFF allocation at full implementation. In each year, every school district had the same proportion of its gap closed. The 2018-19 State budget fully funded the LCFF gap for school districts two years earlier than originally scheduled, allowing the school districts to reach their LCFF target level.

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

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

To alleviate the impact of the COVID-19 pandemic, SB 117 provided that, for school districts that complied with State requirements, only attendance during full school months from July 1, 2019, to and including February 29, 2020, was reported for apportionment purposes for fiscal year 2019-20. The State budget for fiscal year 2020-21 provided that average daily attendance for fiscal year 2020-21 was based on the 2019-20 year. While the State budget for fiscal year 2021-22 did not include an extension of the average daily attendance hold-harmless provision, school districts with enrollment declines in fiscal year 2021-22 retained the ability to receive their apportionment based on the higher of their fiscal year 2019-20 or fiscal year 2020-21 average daily attendance as provided under LCFF. Additionally, the State budget for fiscal year 2022-23 amended the LCFF calculation to consider the greater of a school district's current year, prior year, or the average of three prior years' average daily attendance. This formula change helps school districts with significant declining enrollment better serve remaining students.

The School District provided in-person instruction for the 2022-23 school year with an option for parents to enroll students in an independent study program. The School District is unable to predict whether new proposals will be enacted, especially with respect to independent study, or what form they may take, or whether any new requirements related to reducing the spread of COVID-19 or other infectious diseases will materially impact the School District's finances or operations.

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The following table shows a breakdown of the School District's fiscal years 2019-20 through 2023-2024 average daily attendance by grade span, funded average daily attendance, total enrollment, and the percentage of students classified as EL, FRPM, or foster youth (collectively, "unduplicated").

RIVER DELTA UNIFIED SCHOOL DISTRICT
ADA by Grade Span, Total Enrollment, and Unduplicated Enrollment
Fiscal Years 2019-20 through 2023-24

Fiscal Year	TK/K-3	4-6	7-8	Elementary Special Education	9-12	Secondary Special Education	Total District ADA	Funded LCFF District ADA	Total District Enrollment	% Unduplicated Enrollment[4]
2019-20[1]	468	359	344	3	680	2	1,856	1,881.77	1,973	62.36%
2020-21[2]				See footnote (2) below				1,863.62	1,874	59.85
2021-22[1]	416	308	306	1	617	1	1,649	1,857.23	1,852	58.58
2022-23[1]	431	309	278	1	585	3	1,607	1,791.06	1,787	61.31
2023-24[3]	480	299	270	1	597	4	1,651	1,712.21	1,759	68.45

(1) Average daily attendance is from the District's audited financial statement.
(2) The State Budget Act of 2020 provided a hold-harmless clause for calculating LCFF funding for fiscal year 2020–21 by allowing 2020–21 funding to be based on 2019–20 average daily attendance.
(3) 2023-24 Second Interim Report.
(4) The percentage is calculated on the basis of the average of the current fiscal year and the prior two fiscal years.
Note: Total may not foot due to rounding.
Source: River Delta Unified School District

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

Propositions 30 and 55. School districts in California have faced numerous challenges over the past several years due to financial difficulties at the State level. This has resulted in budget cuts and payment deferrals to school districts. On November 6, 2012, the Governor placed a measure on the ballot known as "Proposition 30" or the "November Tax Initiative," which asked California voters to increase State sales tax and raise income taxes on certain high income individuals, as well as taxes on gross receipts of retailers and certain excise taxes, in order to generate additional revenues at the State level. The moneys raised were applied to address State budget shortfalls and help fund educational programs. In particular, revenues generated pursuant to Proposition 30 increased school and community college district funding and paid expenses owed from previous years. The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends through 2030 the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30. Tax revenues allocated to education as part of the minimum guarantee, including tax revenues received under Proposition 55, are deposited into the Education Protection Account ("EPA"), recalculated and distributed quarterly to K-14 school districts (89 percent to K-12 school districts and 11 percent to community college districts) as a continuing appropriation not subject to budget adoption. The funds are distributed in the same manner as existing unrestricted per-student funding. The Proposition 55 tax revenue is included in the Proposition 98 calculation, raising the minimum guarantee by billions each year. Proposition 55 did not extend the sales tax rate increase enacted under Proposition 30.

Lottery. Other State revenues include the California State Lottery (the "Lottery"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research.

Federal Sources. The federal government provides funding for several School District programs, including special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Education for Economic Security, and the free and reduced lunch program.

Local Sources. In addition to property taxes, the School District may receive additional local revenues from items such as leases and rentals, interest earnings, transportation fees, interagency services, and other local sources.

Charter Schools

One charter school operates within the boundaries of the School District. Delta Elementary Charter School serves kindergarten through sixth grade with an enrollment of 371 students in fiscal year 2022-23. This charter school is fiscally independent from the School District and is responsible for managing, budgeting, and accounting for its own activities. The financial activities of Delta Elementary Charter School are not included in the School District's financial statements.

Charter schools may adversely affect school district funding, either by reducing funded enrollment at the school district or, for community-funded school districts, by increasing the in-lieu property tax transfer. Conversely, certain per-pupil expenditures of a school district also decrease based upon the number of students enrolled in the charter schools. Pursuant to Proposition 39, for charter schools having a projected ADA of at least 80 or more students from the school district, school districts are required to provide facilities reasonably equivalent to those provided to school district students.

Short-Term Borrowings

The School District has in the past issued short-term tax and revenue anticipation notes. Proceeds from the issuance of notes by the School District have been used to reduce inter-fund dependency and to provide the School District with greater overall efficiency in the management of its funds.

The School District has no short-term debt outstanding, and there are currently no plans to issue any short-term debt.

Long-Term Debt

A schedule of changes in long-term debt of the District, other than OPEB and pension, for the year ended June 30, 2023 is shown below:

	Balance at July 1, 2022	Additions	Deductions	Balance at June 30, 2023	Due in One Year
Debt					
General Obligation Bonds	$28,790,627	--	$2,254,566	$26,536,061	$3,118,938
Accreted Interest	6,694,066	$715,739	--	7,409,745	--
Unamortized premiums	660,771	--	30,889	629,882	30,889
Lease Obligations	542,217	--	542,217	--	--
Other long-term liabilities					
Net OPEB liability	8,849,295	--	1,181,506	7,667,789	--
Net pension liability	11,755,000	7,169,000	--	18,924,000	--
Compensated Absences	251,187	14,913	--	266,100	266,100
TOTAL	$57,543,103	$7,899,652	$4,009,178	$61,433,577	$3,415,927

Source: River Delta Unified School District, Annual Financial Report, June 30, 2023

General Obligation Bonds

SFID No. 1 2004 Authorization. On November 2, 2004, more than 55 percent of persons voting on the proposition authorized the issuance of up to $14.0 million in general obligation bonds of SFID No. 1 (the "SFID No. 1 2004 Authorization"). On March 30, 2005, the School District issued General Obligation Bonds of School Facilities Improvement District No. 1 of the River Delta Unified School District, Election of 2004, Series 2005 in the aggregate principal amount of $8,249,978.70 (the "SFID No. 1 2005 Bonds"). On December 28, 2006, the School District issued General Obligation Bonds of School Facilities Improvement District No. 1 of the River Delta Unified School District, Election of 2004, Series 2006 in the aggregate principal amount of $5,749,993.90 (the "SFID No. 1 2006 Bonds"). On November 4, 2014, the School District issued the 2014 General Obligation Refunding Bond of School Facilities Improvement District No. 1 of the River Delta Unified School District in the aggregate principal amount of $5,550,800 (the "SFID No. 1 2014 Refunding Bond") to refund a portion of the SFID No. 1 2005 Bonds. There is less than $100 of SFID No. 1 2004 Authorization remaining.

SFID No. 1 2020 Authorization. Pursuant to the 2020 Authorization, the School District issued the first series of bonds designated as General Obligation Bonds of School Facilities Improvement District No. 1 of the River Delta Unified School District, Election of 2020, Series 2021 in the aggregate principal amount of $15,300,000 (the "SFID No. 1 2021 Bonds"). Following the issuance of the Bonds, there will be no remaining 2020 Authorization.

The following table summarizes the School District's outstanding general obligation bond indebtedness in connection with SFID No. 1 as of April 1, 2024. See "The School District's Audited Financial Statements" below.

Authorization	Issue	Original Amount	Final Maturity	Outstanding as of April 1, 2024	Debt Service in Fiscal Year 2023-24
Election of 2004	SFID No. 1 2005 Bonds	$8,249,978.70	08/01/2029	$454,978.70	--
Refunding	SFID No. 1 2014 Refunding Bond	5,550,800.00	08/01/2025	1,029,420.08	$685,998.28
Election of 2020	SFID No. 1 2021 Bonds	15,300,000.00	08/01/2049	12,840,000.00	1,899,800.00
				$14,324,398.78	$2,585,798.28

SFID No. 2 2004 Authorization. School Facilities Improvement District No. 2 of the River Delta Unified School District ("SFID No. 2") was established by the School Board on July 20, 2004. On November 2, 2004, more than 55 percent of persons voting on the proposition authorized the issuance of up to $9.0 million in general obligation bonds of SFID No. 2 (the "SFID No. 2 2004 Authorization"). On March 30, 2005, the School District issued General Obligation Bonds of School Facilities Improvement District No. 2 of the River Delta Unified School District, Election of 2004, Series 2005 in the aggregate principal amount of $3,999,986.95 (the "SFID No. 2 2005 Bonds"). On December 28, 2006, the School District issued General Obligation Bonds of School Facilities Improvement District No. 2 of the River Delta Unified School District, Election of 2004, Series 2006 in the aggregate principal amount of $1,699,994.10 (the "SFID No. 2 2006 Bonds"). On May 28, 2008, the School District issued General Obligation Bonds of School Facilities Improvement District No. 2 of the River Delta Unified School District, Election of 2004, Series 2008 in the aggregate principal amount of $3,300,014.90 (the "SFID No. 2 2008 Bonds"). On February 25, 2015, the School District issued the 2015 General Obligation Refunding Bonds of School Facilities Improvement District No. 2 of the River Delta Unified School District in the aggregate principal amount of $3,510,000 (the "SFID No. 2 2015 Refunding Bond") to refund a portion of the 2005 Bonds and the 2006 Bonds. There is less than $10 of SFID No. 2 2004 Authorization remaining.

SFID No. 2 2020 Authorization. On November 3, 2020, more than 55 percent of persons voting on the proposition authorized the issuance of up to $14.6 million in general obligation bonds of SFID No. 2 (the "SFID No. 2 2020 Authorization"). Pursuant to the SFID No. 2 2020 Authorization, the School District issued the first series of bonds designated as General Obligation Bonds of School Facilities Improvement District No. 2 of the River Delta Unified School District, Election of 2020, Series 2021 in the aggregate principal amount of $4,900,000 (the "SFID No. 2 2021 Bonds"). On September 7, 2023, the School District issued General Obligation Bonds of School Facilities Improvement District No. 2 of the River Delta Unified School District, Election of 2020, Series 2023 in the aggregate principal amount of $6,800,000 (the "SFID No. 2 2023 Bonds"). There is $2,900,000 of SFID No. 2 2020 Authorization remaining.

The following table summarizes the School District's outstanding general obligation bond indebtedness in connection with SFID No. 2 as of April 1, 2024. The School District's Audited Financial Statements with supplemental information for the fiscal year ended June 30, 2022 incorrectly combined the SFID No. 2 2005 Bonds and the SFID No. 2 2006 Bonds as SFID No. 2 2005 Bonds.

Authorization	Issue	Original Amount	Final Maturity	Outstanding as of April 1, 2024	Debt Service in Fiscal Year 2023-24
Election of 2004	SFID No. 2 2005 Bonds	$3,999,986.95	08/01/2029	$494,986.95	--
Election of 2004	SFID No. 2 2006 Bonds	1,699,994.10	08/01/2031	624,994.10	--
Election of 2004	SFID No. 2 2008 Bonds	3,300,014.90	08/01/2048	3,300,014.90	--
Refunding	SFID No. 2 2015 Refunding Bond	3,510,000.00	08/01/2024	522,728.71	$503,751.28
Election of 2020	SFID No. 2 2021 Bonds	4,900,000.00	08/01/2050	4,150,000.00	564,112.50
Election of 2020	SFID No. 2 203 Bonds	6,800,000.00	08/01/2052	6,800,000.00	122,505.00
				$15,892,724.66	$1,190,368.78

The School District has not defaulted on the payment of principal of or interest on any of its long-term indebtedness in the past ten years.

Capitalized Lease Obligation

The School District has made use of various capital lease arrangements under agreements that provide for title of items and equipment being leased to pass to the School District upon expiration of the lease period. As of the date of this Official Statement, the School District has no capital lease arrangements outstanding.

Property Taxes

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

Alternative Method of Tax Apportionment –Teeter Plan. The Boards of Supervisors of the Counties each adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in section 4701, *et seq*. of the California Revenue and Taxation Code, "to accomplish a simplification of the tax levying and tax apportioning process and an increased flexibility in the use of available cash resources." This alternative method is used for distribution of general purpose *ad valorem* property tax revenues attributable to SFID No. 1. The Teeter Plan currently applies to the *ad valorem* property taxes levied to pay debt service on the Bonds.

The Counties are responsible for determining the amount of the *ad valorem* property tax levy on each parcel in SFID No. 1 that is entered onto the secured real property tax roll. Upon completion of the secured real property tax roll, the Counties determine the total amount of taxes and assessments actually extended on the roll for each fund for which a tax levy has been included, and apportions 100% of the tax and assessment levies to that fund's credit. Such monies may thereafter be drawn against by the taxing agency in the same manner as if the amount credited had been collected.

Under the Teeter Plan, the Counties establish the Tax Loss Reserve Fund. The Counties determine which monies in their respective County treasuries (including those credited to the Tax Loss Reserve Fund) shall be available to be drawn on to the extent of the amount of uncollected taxes credited to each fund for which a levy has been included. When amounts are received on the secured tax roll for the current year, or for redemption of tax defaulted property, Teeter Plan monies are distributed to the apportioned tax resources accounts. The Tax Loss 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 each of the Counties' general funds, delinquent penalty collections are distributed to the Tax Loss Reserve Fund.

The Teeter Plan is to remain in effect in each County unless the particular Board of Supervisors of the County orders its discontinuance in that County or unless, prior to the commencement of any fiscal year of that County (which commences on July 1), the Board of Supervisors shall receive a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in that County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. In the event that the Teeter Plan were terminated, receipt of revenue of *ad valorem* property taxes in SFID No. 1 would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within SFID No. 1.

Property tax delinquencies may be impacted by economic and other factors beyond the School District's control or the control of SFID No. 1 or the Counties, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the School District or SFID No. 1, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or natural or manmade disaster.

There can be no assurance that the Counties will always maintain the Teeter Plan in their respective County or will have sufficient funds available to distribute the full amount of the share of property tax collections attributable to SFID No. 1 to the School District. The ability of the Counties to maintain the Teeter Plan may depend on their financial resources and may be affected by future property tax delinquencies.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an ad valorem *property tax levied by the Counties for the payment thereof. (See "Security and Sources of Payment for the Bonds.") Articles XIIIA, XIIIB, XIIIC, and XIIID of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the Counties to levy taxes on behalf of the School District and SFID No. 1 and the School District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the School District to levy taxes for payment of the Bonds. The tax levied by the Counties for payment of the Bonds was approved by the voters of SFID No. 1 in compliance with Article XIIIA and all applicable laws.*

Article XIIIA of the State Constitution

Basic Property Tax Levy. Article XIIIA of the State Constitution limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness approved by two-thirds of the voters on or after July 1, 1978, for the acquisition or improvement of real property, and (iii) bonded indebtedness approved by 55% of the voters of a school district, school facilities improvement district, or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities. As described under "The Bonds – Authority for Issuance," the School District received authorization by the requisite percent of voters of SFID No. 1 to issue the Bonds.

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

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

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

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

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

Article XIIIB of the State Constitution

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

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

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

Under Article XIIIB, 50% of all revenues received by the State in a fiscal year and in the immediately following fiscal year in excess of the amount permitted to be appropriated by the State during that fiscal year and the immediately following fiscal year shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Article XIIIC and Article XIIID of the State Constitution

Articles XIIIC and XIIID of the State Constitution, adopted by Proposition 218 on November 5, 1996, impose certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property related fees and charges. The School District does not impose any such taxes, assessments, fees or charges; and, with the exception of *ad valorem* property taxes levied and collected by the Counties under Article XIIIA of the State Constitution and allocated to the School District, no such taxes, assessments, fees or charges are imposed on behalf of the School District. Accordingly, while the provisions of Proposition 218 may have an indirect effect on the School District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the School District and SFID No. 1 (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the School District and SFID No. 1), the School District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

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

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

Propositions 98 and 111 -- Minimum Funding Guarantee

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

Proposition 98, as amended by Proposition 111, guarantees a level of funding based on the greater of two amounts determined under three different methods of calculation. The first amount is based on a percentage of General Fund revenues. This amount is defined under "Test 1" as the amount produced by applying the same percentage of General Fund revenues appropriated to K-14 education in 1986-87, or about 40%. The second amount is determined under one of two methods, "Test 2" or "Test 3," the choice of which is determined based on the relative growth of per capita income and General Fund revenues.

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

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

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

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

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

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

Proposition 39

On November 7, 2000, State voters approved an amendment (commonly known as Proposition 39) to the State Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-14 school districts, including the School District and SFID No. 1, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate projected to be levied as the result of any single election be no more than $60 (for a unified school district, such as the School District), $30 (for a high school or elementary school district), or $25 (for a community college district) per $100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIIIA of the State Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor. See "The School District – General and Financial Information – Constitutional and Statutory Provisions Affecting School District Revenues and Appropriations – Article XIIIA of the State Constitution" herein.

Proposition 1A and Proposition 22

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

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

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

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

Future Initiatives

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

As one example, on February 1, 2023, the California Secretary of State determined that a voter initiative, entitled "The Taxpayer Protection and Government Accountability Act" ("Initiative 1935"), is eligible for the November 2024 Statewide general election. However, whether Initiative 1935 can be certified as qualified for the ballot in the November 2024 Statewide election is now before the California Supreme Court. A decision is expected by no later than late June 2024 so that the ballots may be prepared for the November 2024 election. Were it ultimately adopted by a majority of voters in the Statewide general election, Initiative 1935 would amend the State Constitution to, among other things, expand the definition of taxes, impose heightened barriers for State and local governments to impose taxes and exempt fees, and potentially retroactively void certain taxes enacted or imposed after January 1, 2022, or exempt fees not imposed in accordance with its provisions.

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STATE BUDGET PROCESS

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

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

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

2023-24 Adopted State Budget

On June 27, 2023, the Governor signed Assembly Bill (AB) 102, memorializing the deal between the Governor and the Legislature. On July 10, 2023, the Governor signed the corresponding budget trailer bill, signing the 2023-24 State budget package (the "2023-24 State Budget") into law. Consistent with the Governor's proposed budget for fiscal year 2023-24 and May revision, the 2023-24 State Budget reflects slower revenue growth then predicted, driven by stock market challenges, continuing high inflation, rising interest rates, and job losses. Adding to uncertainties in preparing the 2023-24 State Budget, income tax filings at the federal and State levels were delayed until mid-October 2023 due to the unprecedented storms earlier in 2023. At the time the 2023-24 State Budget was finalized, it was projected that the State would receive approximately $42 billion in personal and corporate income tax. It was unclear whether, or to what extent, further adjustments to the 2023-24 State Budget would be necessary if revenues were less than projections.

The 2023-24 State Budget additionally reflects a historic level of reserves of approximately $37.8 billion. This includes $22.3 billion in the Budget Stabilization Account ("BSA" or "Rainy Day Fund"), $10.8 billion in the Public School System Stabilization Account, $900 million in the Safety Net Reserves, and $3.8 billion in the Special Fund for Economic Uncertainties. Setting aside such reserves is the State's approach to withstand revenue declines and future uncertainties, while maintaining fiscal discipline.

In order to address a projected $31.7 billion shortfall while avoiding deep cuts to programs, the 2023-24 State Budget includes various approaches, including shifting $9.3 billion in spending commitments from the General Fund to other funds, reducing General Fund spending by approximately $8.1 billion, delaying spending of across multiple years, internal borrowing, and trigger reductions that would be restored in 2024 if there are sufficient revenues to do so.

Other general highlights of the 2023-24 State Budget are as follows:

Higher Education. The 2023-24 State Budget provides base budget increases of five percent each for the University of California and California State University systems.

Health Care. The 2023-24 State Budget maintains a commitment to increases to fund universal access to affordable health care.

Homelessness. The 2023-24 State Budget continues to fund one-time grants to cities and counties to address homelessness in their communities, and includes requirements for such municipalities to develop and submit regionally coordinated plans that outline the key actions each entity will undertake to collectively deploy their federal, state, and local resources to reduce homelessness.

Transit. The 2023-24 State Budget provides $5.1 billion for public transit, including for zero-emission vehicle transit funding, along with new reporting and accountability requirements for transit agencies.

Climate. Over $52 billion in multi-year spending to address climate issues is included in the 2023-24 State Budget. The Governor and the Legislature continue to discuss a potential climate bond ranging from $6 billion to $16 billion.

Public Safety. More than $800 million continues to be committed to improve public safety including task forces to combat the spread of fentanyl and stopping retail theft.

Infrastructure. The 2023-24 State Budget includes streamlining proposals to allow the State to secure federal infrastructure funds for construction of transportation, clean water, and clean energy projects, resulting in as much as $180 billion in infrastructure project over the next ten years.

With respect to funding for K-12 education, the 2023-24 State Budget includes total funding of $129.2 billion ($79.5 billion General Fund and $49.7 billion other funds). Of this funding, the Proposition 98 minimum guarantee reflects $108.3 billion in fiscal year 2023-24. This amount is $2.1 billion less than the Legislature adopted last year for the current fiscal year.

Additional education-related highlights from the 2023-24 State Budget include the following:

- <u>Proposition 98 Rainy Day Fund</u>. As discussed above, following deposits into the Public School System Stabilization Account, the balance at the end of fiscal year 2023-24 will be $10.8 billion. The balance of $9.9 billion in 2022-23 triggers school district reserve caps beginning in 2023-24. (See "Cap on School District Reserves.")

- <u>Local Control Funding Formula</u>. The 2023-24 State Budget includes a COLA of 8.22 percent, the largest COLA in LCFF history. Taking into account the COLA adjustment plus adjustments for declining enrollment, discretionary funds available to LEAs increases by approximately $3.4 billion compared to the prior year.

- Equity Multiplier. The 2023-24 State Budget provides $300 million ongoing Proposition 98 General Fund to establish an Equity Multiplier as an add-on to the LCFF. The purpose of the Equity Multiplier it to accelerate learning gains and close opportunity gaps of historically underserved pupils attending high-poverty schools.

- Literacy. One time Proposition 98 General Fund of $250 million is set aside to augment an existing grant program to fund high-poverty schools to train and hire literacy coaches and reading specialists. The 2023-24 State Budget additionally requires LEAs to screen student in kindergarten through second grade for risk of reading difficulties by the 2025-26 school year.

- Teacher Workforce. The 2023-24 State Budget makes several statutory changes to reduce barriers for those interested in entering the teaching profession. For example, the 2023-24 State Budget increases the Teacher and School Counselor Residency Grant per-candidate allocation and to require a minimum stipend. Additionally, the 2023-24 State Budget will allow teachers who were unable to finish their credential due to the COVID-19 pandemic to meet this requirement through completion of a Commission on Teacher Credentialing (the "Commission))-approved program or by two years of satisfactory teacher evaluations. The 2023-24 State Budget also authorizes the Commission to issue a comparable State credential to any U.S. military servicemember or their spouse who possesses a valid out-of-state teaching or services credential to teach in the State when such candidate is related to the State by military orders.

- Transitional Kindergarten. The 2023-24 State Budget reflects $357 million and $597 million ongoing Proposition 98 General Fund to support the first (2022-23) and second (2023-24) years, respectively, of expanded eligibility for transitional kindergarten ("TK"). There is additional funding in the amounts of $283 million and $165 million to support the first and second years, respectively, of adding additional certificated or classified staff to every TK class.

- Arts, Music, and Instructional Materials Discretionary Block Grant. The 2023-24 State Budget decreases one-time Proposition 98 General Fund for such grant to $3.3 billion.

2024-25 Proposed State Budget

On January 10, 2024, the Governor released the proposed State budget for fiscal year 2024-25 (the "2024-25 Proposed Budget"). As described above, the 2023-24 State Budget was enacted in June 2023, before the majority of the State's of 2022-23 tax collections were received due to the tax filings being extended until October 2023. Under a typical timeframe, the Governor is able to make downward adjustments to the proposed state budget during the May Revision, when tax receipts are known.

The delay in collecting 2022-23 income tax combined with a decline in the stock market that drove down revenues in 2022, has resulted in a budget shortfall of $37.9 billion, as projected by the Governor for the 2024-25 Proposed Budget. Now the Governor and the Legislature face the challenging task of solving for last year's shortfall while adjusting spending to ensure continued fiscal stability in future years.

To address the budget shortfall, the Governor proposes the following approaches:

- Draw on Reserves. The 2024-25 Proposed Budget includes a total withdrawal of $12.2 billion from the BSA and a $900 million withdrawal from the Safety Net Reserve.

- Spending Reductions. Significant spending reductions, totaling approximately $8.5 billion, are proposed, including for climate change programs, housing programs, the School Facilities Aid Program, and the Student Housing Revolving Loan Fund Program.

- Revenue/Internal Borrowing. The 2024-25 Proposed Budget includes support from revenue sources and borrows internally from special funds. Proposed solutions include, increasing the Managed Care Organization Tax Support for Medi-Cal ($3.8 billion) and conforming to the Tax Cuts and Jobs Act Net Operating Loss Limitation ($300 million).

- Funding Delays. Various programs may be subject to approximately $5.1 billion delays in funding across a three-year period beginning in fiscal year 2025-26, without reducing the total amount of funding through this same period, including to the (1) Transit and Intercity Rail Capital Program; (2) rate reform for Department of Development Services service providers; (3) Preschool, Transitional Kindergarten, and Full-Day Kindergarten Facilities Grant Program; (4) Clean Energy Reliability Investment Plan; (5) Behavioral Health Bridge Housing Program; and (6) Vulnerable Community Toxic Clean Up program.

- Fund Shifts. The 2024-25 Proposed Budget shifts approximately $3.4 billion in certain expenditures from the General Fund to other funds, including to the Greenhouse Gas Reduction Fund, for state plans retirement contribution reductions, and for unemployment insurance interest payments.

- Deferrals. The 2024-25 Proposed Budget defers approximately $2.1 billion in specific obligations to fiscal year 2025-26, including a June to July payroll deferral and deferrals to the University of California and California State University systems.

The 2024-25 Proposed Budget does not include mid-year budget cuts, deferrals, or program rollbacks. Total funding for all K-12 education programs is set at $126.8 billion, $76.4 billion of which is General Fund, and the remaining $50.4 billion will come from other funds. K-12 per pupil funding totals $17,653 Proposition 98 General Fund and $23,519 per pupil when accounting for all funding sources. The minimum Proposition 98 funding for K-12 and community colleges is estimated to be $109.1 billion in fiscal year 2024-25. The revised Proposition 98 minimum guarantee levels for years 2022-23, 2023-24, and 2024-25 represent a decrease of approximately $11.3 billion in comparison to the 2023-24 State Budget. In recognition of the delayed tax receipts and its impact on the 2023-24 State Budget as described above, the 2024-25 Proposed Budget proposes statutory changes to address roughly $8 billion of such decrease to avoid impacting existing K-12 and community college budgets.

Test 1 is expected to be applied for the Proposition 98 minimum guarantee for all years 2022-23 through 2024-25. The Proposition 98 minimum guarantee is rebenched to reflect the continued implementation of Universal Transitional Kindergarten and the Arts and Music in Schools Funding Guarantee and Accountability Act. The resulting rebenched Test 1 percentage to satisfy the Proposition 98 minimum guarantee increased from 38.6 percent to 39.5 percent of General Fund revenues.

Additional education-related highlights from the 2024-25 Proposed Budget include the following:

- Proposition 98 Rainy Day Fund. The 2024-25 Proposed Budget revises payments into the Public School System Stabilization Account of approximately $1.3 billion for years 2022-23 through 2024-25, and withdrawals of $3 billion in fiscal year 2023-24 and $2.7 billion in fiscal years 2024-25. As a result, at the end of fiscal year 2024-25, the balance in the account should be more than $3.8 billion. The balance of $5.7 billion in fiscal year 2023-24 continues to trigger school district reserve caps. (See “Cap on School District Reserves.”)

- Local Control Funding Formula. The 2024-25 Proposed Budget includes a COLA of 0.76 percent. When combined with population growth adjustments, the result is approximately $1.4 billion less in discretionary funds for LEAs. However, the 2024-25 Proposed Budget includes withdrawals from the Public School System Stabilization Account in 2023-24 and 2024-25, as well as using available reappropriation and reversion funding, to support ongoing LCFF costs. Additionally, the 2024-25 Proposed Budget includes an increase of $65 million in ongoing Proposition 98 funding to reflect the COLA adjustment for certain categorical programs and the LCFF Equity Multiplier.

- Instructional Continuity. The 2024-25 Proposed Budget includes $6 million one-time Proposition 98 General Fund for researching existing and developing new models of hybrid and remote learning to support student attendance, and investigating local student information systems to allow LEAs to report individual student absence data to the State in a manner that allows for local and statewide disaggregation of absences related to emergency events. Statutory changes to allow LEAs to provide attendance recovery opportunities to students to make up lost instruction time, offset student absences, mitigate learning loss, and lessen negative fiscal impacts on LEAs are included in the 2024-25 Proposed Budget.

- Teacher Preparation and Professional Development. The 2024-25 Proposed Budget proposes $25 million ongoing Proposition 98 General Fund to support training for educators to administer literacy screenings that were implemented in the 2023-24 State Budget. To align with the new State math framework, the 2024-25 Proposed Budget includes $20 million one-time Proposition 98 General Fund for county offices of education to develop and provide training to math coaches and leaders to support teaches in delivery math instruction aligned to the statewide framework.

- School Facility Program. With the Proposition 51 bond funds nearly exhausted, the 2024-25 Proposed Budget adjusts a planned 2024-25 investment into the School Facility Program from $875 million to $375 million in one-time General Fund. The Governor expects to enter into negotiations with the Legislature to reach an agreement on a school facility bond proposal to be considered at the November 2024 election.

- Preschool, Transitional Kindergarten, and Full-Day Kindergarten Facilities Grant Program. To address the projected budget shortfall, the 2024-25 Proposed Budget delays the fiscal year 2024-25 planned investment of $550 million to fiscal year 2025-26.

Legal Challenges to State Funding of Education

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

Additional Information for State Finances

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

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

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

Future State Budgets

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

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APPENDIX B
AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2023

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RIVER DELTA UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
June 30, 2023

RIVER DELTA UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

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RIVER DELTA UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023
(Continued)

CONTENTS

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Education
River Delta Unified School District
Rio Vista, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the River Delta Unified School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the River Delta Unified School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the River Delta Unified School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the River Delta Unified School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the River Delta Unified School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 River Delta Unified School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the River Delta Unified School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 9 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in the District's Net Other Postemployment Benefits (OPEB) Liability, Schedule of the District's Contributions – OPEB, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions – Pensions on pages 43 to 49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the River Delta Unified School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and 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. Such information is the responsibility of management and, except for that portion marked "unaudited," was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the basic financial statements as a whole. The information marked "unaudited" 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 March 13, 2024 on our consideration of the River Delta Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 River Delta Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the River Delta Unified School District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Sacramento, California
March 13, 2024

Management's Discussion and Analysis
(MD&A)
River Delta Unified School District
2022-2023

Management's Discussion and Analysis Section of the audit report is management's view of the District's financial performance and condition during the fiscal year ending June 30, 2023. The MD&A should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements.

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

Management's Discussion and Analysis consists of five sections:

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

2. **Financial Analysis of the District as a Whole:** a summary view of the District's Net Position.

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

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

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

The District has monitored guidelines and regulations from state and local agencies regarding COVID-19 and will continue to do so.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are District-wide financial statements that provide both short- term and long-term information about the District's overall financial status. Because these statements include all district funds, it should be noted that certain inter-fund and other types of transactions that net to zero have been eliminated so that District-wide revenues and expenditures are presented without artificial inflation.

- The remaining statements are fund financial statements that focus on the major funds of the District. These statements report the District's operations in more detail than the District-wide statements.

These two kinds of statements report the District's net position and changes during the year. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating over time.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. These notes are considered to be an integral part of the financial statements and should be considered in conjunction with them when looking at the District's financial picture.

The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

In the District-wide financial statements, the District's activities are shown as Governmental activities. We have no funds that are classified as Business-type activities.

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. The District has one type of fund:

Governmental: All of the District's basic services are included in governmental funds, the General Fund being the largest fund in this category. Other governmental funds the district operates are Adult Ed Fund, Child Development Fund, Cafeteria Fund, Building Fund, Capital Facilities Fund, County School Facilities Fund, Capital Project Fund for Blended Component Units and the Bond Interest and Redemption Fund.

Revenues for the governmental funds totaled $40.2 million, with $33.5 million from the General Fund. Property taxes and state formula aid accounted for 66.3% of the District's General Fund revenue, another 29.1% came from state and federal aid for specific programs, with the remainder from fees charged for services and miscellaneous sources.

Expenditures totaled $37.9 million, with $29.7 million from the General Fund. The District's expenses are predominantly related to educating and caring for students, with 77.9% for salaries and benefits from the General Fund.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1

Net Position	2021-22	2022-23
Current and Other Assets	$ 38,654,699	$ 42,223,019
Capital Assets	22,045,662	21,018,949
Total Assets	**60,700,361**	**63,241,968**
Deferred outflows related to pensions and OPEB	7,396,406	9,406,211
Deferred outflows from advance refunding of debt	101,708	74,038
Total Deferred Outflows	**7,498,114**	**9,480,249**
Long-Term Liabilities Outstanding	57,543,103	61,433,577
Other Liabilities	2,741,769	3,935,121
Total Liabilities	**60,284,872**	**65,368,698**
Deferred inflows related to pensions and OPEB	12,209,387	7,203,850
Total Deferred Inflows	**12,209,387**	**7,203,850**
Net Position:		
Net Investment in Capital Assets	11,739,562	10,617,108
Restricted	6,989,766	12,497,568
Unrestricted	(23,025,112)	(22,965,007)
Total Net Position	**$ (4,295,784)**	**$ 149,669**

Net Position: The District's Total Net Position for the year ending June 30, 2023 is $149,669.

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

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

Changes in Net Position

Table 2

	2021-22	2022-23
Program Revenues:		
Charges for services	196,221	68,530
Operating and Capital Grants	7,408,311	11,780,050
General Revenues:		
Property Taxes	16,271,371	18,111,259
Federal and State Aid	8,696,190	8,817,144
Other	356,898	1,159,293
Total Revenues	**32,928,991**	**39,944,276**
Program Expenses		
Instruction	14,789,650	16,822,512
Instruction-Related Services	2,972,901	3,615,153
Pupil Services	3,690,769	4,441,560
General Administration	1,555,936	3,066,123
Plant and Ancillary Services	3,570,258	6,123,468
Interest	1,511,982	1,350,572
Other	108,783	79,435
Total Expenses	**28,200,279**	**35,498,823**
Change in Net Position	4,728,722	4,445,453
Net Position – Beginning	(9,024,506)	(4,295,784)
Net Position – Ending	**(4,295,784)**	**149,669**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The strong financial performance of the District as a whole is reflected in its fund balances. The District maintains a three percent (3%) reserve in the General Fund, which meets the state- required reserve for fiscal uncertainties, and an additional two percent 2% reserve as a matter of adopted Board policy. As the District completed the 2022-23 year, its funds reported a *combined* fund balance of $38.5 million. This amount includes the legally restricted ending balances and unrestricted site carryover amounts.

General Fund Budgetary Highlights. Over the course of the year, the District revised its annual operating budget numerous times. The adopted budget as of July 1, 2022 was prepared prior to the State of California adopting a final State budget.

Following the adoption of the State budget and after the 2022-23 books were closed, the required First Interim Report was prepared where carryover funds and deferred revenues were incorporated, and the budget revised accordingly.

The District's General Fund ending fund balance is approximately $15.1 million. Of this amount, $9,291,607 is unassigned and $5,833,399 has been assigned by the Board; the remainder is restricted and for State, Federal, and local categorical programs, under provisions of these grants or is nonspendable.

CAPITAL ASSET AND DEBT ADMINISTRATION

- **Capital Assets.** At the end of fiscal year 2022-23, the District had a total value of $73,494,674 in capital assets, including land, buildings, building improvements and equipment. Total accumulated depreciation amounted to $52,475,725.

- **Long-term Debt.** The District ended the year with a total of $61,433,577 in outstanding financing obligations. The major portions of this amount are for G.O. Bond issuance, as well as net pension liability and net other postemployment benefits (OPEB) liabilities which are required by GASB 68 and GASB 75, respectively. The obligation for G.O. Bonds is $26,536,061 and the combined net pension and net OPEB liabilities are $26,591,789, with the remaining obligations relating to capital leases and compensated absences.

FACTORS BEARING ON THE DISTRICT'S FINANCIAL FUTURE

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

- Student enrollment and attendance are primary factors in the computation of most funding formulas for public schools in the State of California. The District is currently experiencing decline in enrollment in comparison with the 2022-23 figures, with anticipation of a continued decline in enrollment for the next several years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, vendors, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions about this report or additional information requests should be directed to the Assistant Superintendent of Business Services, at 445 Montezuma Street, Rio Vista, CA 94571 or at (707) 374-1700.

BASIC FINANCIAL STATEMENTS

RIVER DELTA UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	$ 40,414,089
Receivables	1,788,313
Stores inventory	20,617
Non-depreciable capital assets (Note 4)	553,739
Depreciable capital assets, net of accumulated depreciation (Note 4)	20,465,210
Total assets	63,241,968
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources - pensions (Notes 7 and 8)	6,174,011
Deferred outflow of resources - OPEB (Note 9)	3,232,200
Deferred outflow from advance refunding of debt	74,038
Total deferred outflows of resources	9,480,249
LIABILITIES	
Accounts payable	3,007,320
Unearned revenue	927,801
Long-term liabilities (Note 5):	
Due within one year	3,415,927
Due after one year	58,017,650
Total liabilities	65,368,698
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 7 and 8)	3,504,000
Deferred inflows of resources - OPEB (Note 9)	3,699,850
Total deferred inflows of resources	7,203,850
NET POSITION	
Net investment in capital assets	10,617,108
Restricted:	
Legally restricted programs	6,417,202
Capital projects	2,107,236
Debt service	3,973,130
Unrestricted	(22,965,007)
Total net position	$ 149,669

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	$ 16,822,512	$ 5,024	$ 8,010,493	$ 125	$ (8,806,870)
Instruction-related services:					
Supervision of instruction	899,399	573	469,323	-	(429,503)
Instructional library, media and technology	149,360	-	-	-	(149,360)
School site administration	2,566,394	246	211,557	-	(2,354,591)
Pupil services:					
Home-to-school transportation	867,558	62	34,925	-	(832,571)
Food services	1,312,162	438	1,537,647	-	225,923
All other pupil services	2,261,840	1,985	984,227	-	(1,275,628)
Data processing	14,391	-	-	-	(14,391)
General administration	3,066,123	373	79,557	-	(2,986,193)
Plant services	5,939,101	4,136	145,829	-	(5,789,136)
Ancillary services	184,367	-	3,358	-	(181,009)
Interest on long-term debt	1,350,572	-	-	-	(1,350,572)
Other outgo	65,044	55,693	311,009	-	301,658
Total governmental activities	$ 35,498,823	$ 68,530	$ 11,787,925	$ 125	(23,642,243)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					13,904,347
Taxes levied for debt service					4,140,203
Taxes levied for other specific purposes					66,709
Federal and state aid not restricted to specific purposes					8,817,144
Interest and investment earnings					816,139
Interagency revenues					68,831
Miscellaneous					274,323
Total general revenues					28,087,696
Change in net position					4,445,453
Net position, July 1, 2022					(4,295,784)
Net position, June 30, 2023					$ 149,669

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and investments:					
Cash in County Treasury	$16,284,468	$ -	$ 3,973,130	$ 2,455,157	$22,712,755
Cash in banks	256,430	-	-	725	257,155
Cash in revolving fund	14,983	-	-	-	14,983
Cash with Fiscal Agent	-	17,429,196	-	-	17,429,196
Receivables	1,411,916	3,055	-	373,342	1,788,313
Due from other funds	9,519	-	-	-	9,519
Stores inventory	-	-	-	20,617	20,617
Total assets	$17,977,316	$17,432,251	$ 3,973,130	$ 2,849,841	$42,232,538
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 1,959,203	$ 742,187	$ -	$ 57,590	$ 2,758,980
Due to other funds	-	-	-	9,519	9,519
Unearned revenue	878,124	-	-	49,677	927,801
Total liabilities	2,837,327	742,187	-	116,786	3,696,300
Fund balances:					
Nonspendable	14,983	-	-	20,617	35,600
Restricted	5,791,383	16,690,064	3,973,130	2,712,658	29,167,235
Assigned	42,016	-	-	-	42,016
Unassigned	9,291,607	-	-	(220)	9,291,387
Total fund balances	15,139,989	16,690,064	3,973,130	2,733,055	38,536,238
Total liabilities and fund balances	$17,977,316	$17,432,251	$ 3,973,130	$ 2,849,841	$42,232,538

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances - Governmental Funds		$ 38,536,238
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 $73,494,674 and the accumulated depreciation is $52,475,725 (Note 4).		21,018,949
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at June 30, 2023 consisted of (Note 5):		
General Obligation Bonds	$ (26,536,061)	
Accreted interest	(7,409,745)	
Unamortized premiums	(629,882)	
Other postemployment benefits (Note 9)	(7,667,789)	
Net pension liability (Notes 7 and 8)	(18,924,000)	
Compensated absences	(266,100)	
		(61,433,577)
Deferred outflows of resources resulting from defeasance of debt are not recorded in governmental funds. In governmental activities, the difference between the reacquisition price and the net carrying amount of the retired debt are reported as deferred outflows of resources.		74,038
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported (Notes 7 and 8).		
Deferred outflows of resources relating to pensions	6,174,011	
Deferred inflows of resources relating to pensions	(3,504,000)	
		2,670,011
In governmental funds, deferred outflows and inflows relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows relating to OPEB are reported.		
Deferred outflows of resources relating to OPEB	3,232,200	
Deferred inflows of resources relating to OPEB	(3,699,850)	
		(467,650)
Unmatured interest on long-term debt is not recognized until the period in which it matures and is paid in governmental funds, however, in the statement of net position it is recognized in the period that it is incurred.		(248,340)
Total net position - governmental activities		$ 149,669

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Local Control Funding Formula (LCFF):					
State apportionment	$ 10,266,110	$ -	$ -	$ -	$ 10,266,110
Local sources	11,965,758	-	-	-	11,965,758
Total LCFF	22,231,868	-	-	-	22,231,868
Federal sources	3,034,199	-	-	1,009,512	4,043,711
Other state sources	6,723,864	-	18,321	884,738	7,626,923
Other local sources	1,549,614	37,497	4,186,389	543,477	6,316,977
Total revenues	33,539,545	37,497	4,204,710	2,437,727	40,219,479
Expenditures:					
Current:					
Certificated salaries	11,666,491	-	-	32,030	11,698,521
Classified salaries	4,765,405	-	-	609,345	5,374,750
Employee benefits	6,706,230	-	-	280,381	6,986,611
Books and supplies	1,519,373	-	-	54,932	1,574,305
Contract services and operating expenditures	4,430,324	268,070	-	787,805	5,486,199
Other outgo	65,044	-	-	-	65,044
Capital outlay	556,835	2,665,170	-	-	3,222,005
Debt service:					
Principal retirement	-	-	2,254,566	542,217	2,796,783
Interest	-	-	645,279	32,209	677,488
Total expenditures	29,709,702	2,933,240	2,899,845	2,338,919	37,881,706
Excess (deficiency) of revenues over (under) expenditures	3,829,843	(2,895,743)	1,304,865	98,808	2,337,773
Other financing (uses) sources:					
Transfers in	9,519	-	-	687,435	696,954
Transfers out	(687,435)	-	-	(9,519)	(696,954)
Total other financing (uses) sources	(677,916)	-	-	677,916	-
Net change in fund balances	3,151,927	(2,895,743)	1,304,865	776,724	2,337,773
Fund balances, July 1, 2022	11,988,062	19,585,807	2,668,265	1,956,331	36,198,465
Fund balances, June 30, 2023	$ 15,139,989	$ 16,690,064	$ 3,973,130	$ 2,733,055	$ 38,536,238

See accompanying notes to financial statements.

Net change in fund balances - Total Governmental Funds	$ 2,337,773
Amounts reported for governmental activities in the statement of activities are different because:	
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	1,375,057
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(2,401,770)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but decreases the long-term liabilities in the liabilities in the statement of net position (Note 5).	2,796,783
Accreted interest on capital appreciation bonds is an expense that is not recorded in governmental funds (Note 5).	(715,739)
In governmental funds, losses on refunding of debt are not recognized. In government wide statements, losses on refunding of debt are deferred and amortized over the life of the debt (Note 5).	(27,670)
In governmental funds if debt is issued at a premium, the premium is recognized as other financing sources in the period it is incurred. In the government-wide statements, premiums are amortized as interest over the life of the related debt (Note 5).	30,889
Other postemployment benefits (OPEB) costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. The difference between OPEB costs and actual employer contributions was (Notes 5 and 9).	(872,041)
In the statement of activities, expenses related to compensated absences is measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount paid during the year (Note 5).	(14,913)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was (Note 7 and 8).	1,899,889
Unmatured interest on long-term debt is recognized in the period that it becomes due in the statement of net position, but is expensed when paid in the governmental funds.	37,195
Change in net position of governmental activities	$ 4,445,453

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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. Custodial funds are not included in the government-wide financial statements. The District does not have any custodial funds.

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 the respective function. Interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

Basis of Presentation - Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Major Funds

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

Building Fund - The Building Fund is a capital projects fund used to account for resources used for the acquisition or construction of major capital facilities and equipment, and primarily includes proceeds from the sale of bonds.

Bond Interest and Redemption Fund - The Bond Interest and Redemption Fund is a debt service fund used to account for resources used for the repayment of general obligations bonds issued by the District.

B - Other Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This classification includes the Adult Education, Child Development, and Cafeteria Funds.

The Capital Projects Funds are used to account for resources used for the acquisition or construction of major capital facilities and equipment. This classification includes the Capital Facilities Fund, County School Facilities Fund, and Capital Projects Funds.

Basis of Accounting: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the 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 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.

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Other Postemployment Benefits (OPEB): For purpose of measuring the net OPEB liability, information about the fiduciary net position of River Delta Unified School District's Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and interest-earning investment contracts that are reported at cost.

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

	STRP	PERF B	Total
Deferred outflows of resources	$ 2,829,072	$ 3,344,939	$ 6,174,011
Deferred inflows of resources	$ 2,754,000	$ 750,000	$ 3,504,000
Net pension liability	$ 9,117,000	$ 9,807,000	$ 18,924,000
Pension expense	$ 1,041,505	$ 1,020,374	$ 2,061,879

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 District's Board of Education complied with these requirements.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables: Receivables are made up principally of amounts due from the State of California and categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2023.

Stores Inventory: Stores inventory consists mainly of consumable supplies held for future use and are valued at average cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools. Maintenance and other supplies held for physical plant repair, transportation supplies, and operating supplies are not included in inventories; rather, these amounts are recorded as expenditures when purchased.

Compensated Absences: Compensated absences in the amount of $266,100 are recorded as a long- term liability of the District. The liability is for the earned but unused benefits. The amount to be provided by future operations represents the total amount that would be required to be provided from the general operating revenues of the District if all the benefits were to be paid.

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

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.

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 when the commitments are paid. All encumbrances are liquidated at June 30.

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

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position: Net position is displayed in three components:

1. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriable for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for debt service represents the portion of net position available for the retirement of debt. It is the District's policy to use restricted net position first when allowable expenditures are incurred.

3. Unrestricted Net Position – All other net position that do not meet the definitions of "restricted" or "net investment in capital assets."

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 cash and stores inventory.

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

C - Committed Fund Balance - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Education. 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 Education is required to remove any commitment from any fund balance. At June 30, 2023, 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. While the Board of Education has empowered members of management to suggest individual amounts to be assigned, as of June 30, 2023 no formal designation of assignment authority has occurred and the Board of Education retains ultimate authority for assigning fund balance.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Education. At June 30, 2023, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

New Accounting Pronouncements: In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 defines a subscription-based information technology arrangement and requires the recognition of a right to use subscription asset and corresponding subscription liability. This statement was effective for fiscal years beginning after June 15, 2022. There was no impact to the District's July 1, 2022 net position as a result of the implementation of GASB Statement No. 96.

(Continued)

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2023 consisted of the following:

		Governmental Activities
Pooled Funds:		
Cash in County Treasury	$	22,712,755
Deposits:		
Cash on hand and in banks		257,155
Revolving cash fund		14,983
Cash with Fiscal Agent		17,429,196
Totals	$	40,414,089

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Sacramento County Treasury. The District is considered an involuntary participant in an external investment pool. The fair value of the District's investment pool is reported in the financial statements at amounts based upon the District's pro-rata share of fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Cash with Fiscal Agent: Cash with Fiscal Agent represents funds held by Fiscal Agents restricted for bond project expenditures. The District holds their funds with the Sacramento County Treasury. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Deposits - Custodial Credit Risk: 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, 2023, the carrying amount of the District's accounts was $272,138 and the bank balance was $265,818, all of which was insured.

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, 2023, 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, 2023, the District had no concentration of credit risk.

(Continued)

NOTE 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 fund interfund receivable and payable balances at June 30, 2023 were as follows:

Fund	Interfund Receivables	Interfund Payables
Major Fund:		
General	$ 9,519	$ -
Non-Major Funds:		
Adult Education	-	5,482
Child Development	-	4,037
Totals	$ 9,519	$ 9,519

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

Transfers for the 2022-2023 fiscal year were as follows:

Transfer from the General Fund to the Capital Facilities Fund to pay off remainder of Shea Homes Loan.	$ 544,460
Transfer from the General Fund to the Capital Projects for Blended Compenent Units Fund to correct a transfer of Mello-Roos tax apportionment.	142,975
Transfer from the Adult Education Fund to the General Fund for indirect costs.	5,482
Transfer from the Child Development Fund to the Geneal Fund for indirect costs.	4,037
	$ 696,954

(Continued)

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2023 is shown below:

	Balance July 1, 2022	Additions and Transfers	Deductions and Transfers	Balance June 30, 2023
Non-depreciable:				
Land	$ 447,832	$ -	$ -	$ 447,832
Work-in-process	-	1,046,159	(940,252)	105,907
Depreciable:				
Buildings	59,240,284	923,796	-	60,164,080
Improvement of sites	7,782,317	122,678	-	7,904,995
Equipment	4,649,184	222,676	-	4,871,860
Totals, at cost	72,119,617	2,315,309	(940,252)	73,494,674
Less accumulated depreciation:				
Buildings	(40,955,941)	(1,832,781)	-	(42,788,722)
Improvement of sites	(5,752,080)	(350,355)	-	(6,102,435)
Equipment	(3,365,934)	(218,634)	-	(3,584,568)
Total accumulated depreciation	(50,073,955)	(2,401,770)	-	(52,475,725)
Capital assets, net	$ 22,045,662	$ (86,461)	$ (940,252)	$ 21,018,949

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 1,687,882
School site administration	560,187
Home-to-school transportation	84,846
Food services	7,023
General administration	44,493
Centralized data processing	418
Plant services	16,921
Total depreciation expense	$ 2,401,770

(Continued)

NOTE 5 - LONG-TERM LIABILITIES

General Obligation Bonds: On March 17, 2005, the District issued Series 2005 General Obligation Bonds in the amounts of $8,249,979 and $3,999,987 to improve or construct school facilities. The Current Interest Serial Bonds accrue interest up to a maximum of 4.5% and 4.375%, respectively, per annum from the date of issuance and are both payable on February 1 and August 1 of each year through August 1, 2029. The Capital Appreciation Serial Bonds accrue interest from the date of issuance and compound semiannually on February 1 and August 1 of each year through August 1, 2029.

On December 5, 2006 the District issued Series 2006 Current Interest and Capital Appreciation General Obligation Bonds in the amount of $5,749,994 and $1,699,994, respectively, to improve or construct school facilities. The Bonds accrue interest up to a maximum of 5.0% and 4.0%, respectively, per annum from the date of issuance and are both payable on February 1 and August 1 of each year through August 2031.

On May 15, 2008, the District issued Series 2008 General Obligation Bonds in the amount of $3,300,015 to upgrade, renovate, furnish, and equip the school facilities. The Capital Appreciation Serial Bonds have interest rates ranging from 4.93% to 5.42% with principal payments beginning on August 1, 2032 and continuing through April 1, 2048.

On November 4, 2014, the District issued Series 2014 General Obligation Refunding Bonds in the amount of $5,550,800 to refund the Election of the 2004, Series 2005 bonds. The Series 2014 Bonds have an interest rate of 5.806% with payments beginning on November 4, 2014 and continuing through August 1, 2025.

On February 25, 2015, the District issued Series 2015 General Obligation Refunding Bonds in the amount of $3,510,000 to refund the Election of the 2004, Series 2006 bonds. The Series 2015 Bonds have an interest rate of 5.806% and mature through August 1, 2024.

On April 13, 2021, the District issued Series 2021 General Obligation Bonds in the amount of $15,300,000 related to School Facilities Improvement District (SFID) No. 1 and $4,900,000 related to SFID No.2. The bonds were issued to finance capital improvement projects within the District. The bonds for SFID No.1 have an interest rate ranging from 2.0% to 5.0% and mature through August 1, 2049. The bonds related to SFID No.2 have an interest rate ranging from 2.125% to 5.0% and mature through August 1, 2050.

The Outstanding general obligation Debt of the district as of June 30, 2023 is as follows:

Series	Interest Rate	Maturity Fiscal Year	Amount of Original Issue	Outstanding July 1, 2022	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2023
Series 2005 Bonds	4.50%-4.375%	2029	$12,249,966	$ 949,965	$ -	$ -	$ 949,965
Series 2006 Bonds	4.0% - 5.0%	2032	7,449,988	624,994	-	-	624,994
Series 2008 Bonds	5.806%	2048	3,300,015	3,300,015	-	-	3,300,015
Series 2014 Bonds	5.806%	2026	5,550,800	2,263,013	-	597,454	1,665,559
Series 2015 Bonds	5.806%	2025	3,510,000	1,452,640	-	447,112	1,005,528
Series 2021 Bonds	2.0 - 5.0%	2050	15,300,000	15,300,000	-	910,000	14,390,000
Series 2021 Bonds	2.125 - 5.0%	2051	4,900,000	4,900,000	-	300,000	4,600,000
Total			$52,260,769	$28,790,627	$ -	$ 2,254,566	$26,536,061

(Continued)

NOTE 5 - LONG-TERM LIABILITIES (Continued)

The following is a schedule of future payments on the General Obligation Bonds.

Year Ending June 30,	Principal	Interest	Total
2024	$ 3,118,938	$ 534,724	$ 3,653,662
2025	1,200,109	672,338	1,872,447
2026	502,457	1,208,751	1,711,208
2027	271,089	1,580,865	1,851,954
2028	263,480	1,647,399	1,910,879
2029-2033	1,096,776	6,190,451	7,287,227
2034-2038	977,350	5,828,453	6,805,803
2039-2043	6,628,674	6,459,542	13,088,216
2044-2048	8,487,188	7,668,295	16,155,483
2049-2051	3,990,000	112,457	4,102,457
	$ 26,536,061	$ 31,903,275	$ 58,439,336

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2023 is shown below:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Amounts Due Within One Year
Debt:					
General Obligation Bonds	$ 28,790,627	$ -	$ 2,254,566	$ 26,536,061	$ 3,118,938
Accreted interest	6,694,006	715,739	-	7,409,745	-
Unamortized premiums	660,771	-	30,889	629,882	30,889
Lease obligations	542,217	-	542,217	-	-
Other long-term liabilities:					
Net OPEB liability (Note 9)	8,849,295	-	1,181,506	7,667,789	-
Net pension liability (Notes 7 and 8)	11,755,000	7,169,000	-	18,924,000	-
Compensated absences	251,187	14,913	-	266,100	266,100
Totals	$ 57,543,103	$ 7,899,652	$ 4,009,178	$ 61,433,577	$ 3,415,927

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on lease obligations are made from the Capital Facilities Fund. Payments for other postemployment benefits, net pension liability and compensated absences are made from the funds for which the related employee worked.

(Continued)

NOTE 6 - FUND BALANCES

Fund balances, by category, at June 30, 2023 consisted of the following:

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Nonspendable:					
Revolving cash	$ 14,983	$ -	$ -	$ -	$ 14,983
Stores inventory	-	-	-	20,617	20,617
Subtotal nonspendable	14,983	-	-	20,617	35,600
Restricted:					
Legally restricted:					
Grants	5,791,383	-	-	-	5,791,383
Adult education program	-	-	-	66,110	66,110
Other restricted balances	-	-	-	539,312	539,312
Capital projects	-	16,690,064	-	2,107,236	18,797,300
Debt service	-	-	3,973,130	-	3,973,130
Subtotal restricted	5,791,383	16,690,064	3,973,130	2,712,658	29,167,235
Assigned:					
Other assignments	42,016	-	-	-	42,016
Unassigned:					
Designated for economic uncertainty	1,485,009	-	-	-	1,485,009
Undesignated	7,806,598	-	-	(220)	7,806,378
Subtotal unassigned	9,291,607	-	-	(220)	9,291,387
Total fund balances	$ 15,139,989	$ 16,690,064	$ 3,973,130	$ 2,733,055	$ 38,536,238

(Continued)

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

General Information about the State Teachers' Retirement Plan

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

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

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

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

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

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

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

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

(Continued)

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

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by fiscal year 2046. California Senate Bill 90 and California Assembly Bill 84 (collectively the "Special Legislation") were signed into law in June 2019 and June 2020, respectively, and provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021–22.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan and the Special Legislation, are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year 2021-22. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2021-22.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205 percent as per the CalSTRS Funding Plan for a total member contribution rate of 10.205 percent. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% since the last time the member contribution rate was set. Based on the June 30, 2021, valuation adopted by the CalSTRS board in May 2022, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2022.

Employers – Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046.

Beginning in fiscal year 2021–22, the CalSTRS Funding Plan authorized the CalSTRS board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2022, the CalSTRS board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2022–23 for a total employer contribution rate of 19.10%.

The CalSTRS employer contribution rates effective for fiscal year 2022-23 through fiscal year 2046-47 are summarized in the table below:

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	Total
July 1, 2022	8.250%	10.850%	19.100%
July 1, 2023 to June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47	

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

The District contributed $2,044,072 to the plan for the fiscal year ended June 30, 2023.

(Continued)

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

State – 10.828 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The state is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the state also has a supplemental contribution rate, which the board can increase by up to 0.5% each fiscal year to help eliminate the state's share of the CalSTRS unfunded actuarial obligation by 2046. In May 2022, the CalSTRS board voted to keep the state supplemental contribution rate at 6.311% for fiscal year 2022–23 for a total contribution rate of 10.828%.

Special legislation appropriated supplemental state contributions to reduce the state's portion of the unfunded actuarial obligation of the DB Program in fiscal years 2019-20 through 2021-22. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, the "Rainy-Day Budget Stabilization Fund Act," which passed in 2014. Accordingly, the contribution amounts are subject to change each year based on the availability of funding. For fiscal year 2021–22, CalSTRS received $410.0 million in supplemental state contributions from Proposition 2 funds. Additionally, CalSTRS received a one-time supplemental payment of $173.7 million from the General Fund in fiscal year 2021–22 to offset forgone contributions due to the suspension of the 0.5% increase to the state supplemental contribution rate in fiscal year 2020–21.

The CalSTRS state contribution rates effective for fiscal year 2022-2023 and beyond are summarized in the table below.

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	SBMA Funding(1)	Total
July 01, 2022	2.017%	6.311%	2.50%	10.828%
July 01, 2023 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

(1) The SBMA contribution rate excludes the $72 million that is reduced from the required contribution in accordance with Education Code section 22954.

(2) The CalSTRS board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.

(3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

(Continued)

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

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 9,117,000
State's proportionate share of the net pension liability associated with the District	5,153,000
Total	$ 14,270,000

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At, June 30, 2022 the District's proportion was 0.013 percent, which was unchanged from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of $1,041,505 and revenue of $826,757 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 7,000	$ 684,000
Changes of assumptions	452,000	-
Net differences between projected and actual earnings on investments	-	446,000
Changes in proportion and differences between District contributions and proportionate share of contributions	326,000	1,624,000
Contributions made subsequent to measurement date	2,044,072	-
Total	$ 2,829,072	$ 2,754,000

$2,044,072 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024 .

(Continued)

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

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

Year Ending June 30,		
2024	$	(396,000)
2025	$	(652,000)
2026	$	(891,000)
2027	$	408,000
2028	$	(385,000)
2029	$	(53,000)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% Purchasing power level for DB, not applicable for DBS/CBB

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

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

(Continued)

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

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

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

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

* 20-year geometric average

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 15,484,000	$ 9,117,000	$ 3,830,000

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

(Continued)

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

General Information about the Public Employer's Retirement Fund B

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

The Plan was established to provide retirement, death and disability benefits to non-teaching and non- certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at: https://www.calpers.ca.gov/docs/forms-publications/acfr-2022.pdf.

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

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

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

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2023 were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2022-2023.

Employers - The employer contribution rate was 25.37 percent of applicable member earnings.

The District contributed $1,318,939 to the plan for the fiscal year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of $9,807,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2022 the District's proportion was 0.029 percent, which was an increase of .001 percent from its proportion measured as of June 30, 2021.

(Continued)

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

For the year ended June 30, 2023 the District recognized pension expense of $1,020,374. At June 30, 2023 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 44,000	$ 244,000
Changes of assumptions	725,000	-
Net differences between projected and actual earnings on investments	1,158,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	99,000	506,000
Contributions made subsequent to measurement date	1,318,939	-
Total	$ 3,344,939	$ 750,000

$1,318,939 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2024	$ 139,833
2025	$ 145,833
2026	$ 283,834
2027	$ 706,500

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 3.9 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

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

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 80% of scale MP2020. For more details on this table, please refer to the 2021 experience study report.

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

During the 2021-22 measurement period, the financial reporting discount rate for PERF B was lowered from 7.15 percent to 6.90 percent. In addition, the inflation assumption was reduced from 2.50 percent to 2.30 percent. Lastly, demographic assumptions for mortality rates were updated.

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

Asset Class	Asset Allocation	Rates of Return Years 1-10 (1, 2)
Global Equity – cap-weighted	30.00%	4.45%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	.27%
Mortgage-backed Securities	5.00%	.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

(1) An expected inflation rate of 2.30% used for this period
(2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

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

Discount Rate: The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

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

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	$ 14,167,000	$ 9,807,000	$ 6,204,000

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

(Continued)

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the Other Postemployment Benefits Plan

Plan Description: In addition to the pension benefits described in Notes 8 and 9, the District provides healthcare benefits to eligible employees who retire from the District, as part of a single-employer defined benefit postemployment health care plan (Plan). The Plan is administered by the District and allows employees who retire after having achieved retirement eligibility requirements to continue receiving medical insurance coverage. The District's Board of Education has the authority to establish or amend the benefit terms offered by the Plan, and also retains the authority to establish the requirements for paying for the Plan's benefits as they come due.

The District participates in the California School Boards Association (CSBA) GASB 45 Solutions Program to pre-fund OPEB liabilities. The CSBA GASB 45 Solutions Program is an agent multiple-employer plan consisting of an aggregation of single-employer plans. Public Agency Retirement Services (PARS) was appointed as administrator for the CSBA GASB 45 Solutions Program, and U.S. Bank was appointed as trustee. The CSBA GASB 45 Solutions Program serves as a qualified irrevocable trust for the accumulation of assets of member districts, to ensure that funds are dedicated to service the needs of employees and retirees. The District's contributions to the irrevocable trust established by the CSBA GASB 45 Solutions Program is included in the Public Agencies Post-Employment Benefits Trust financial statements. Copies of the Public Agencies Post-Employment Benefits Trust independent financial statements may be obtained from the Public Agency Retirement Services – 4350 Von Karman Ave – Newport Beach, CA 92660.

Benefits Provided: Retirees who retire from the District having worked a minimum of ten years and reached age 55, receive healthcare benefits up to the age 65. The District will pay up to $300 per month for the purchase of health insurance, dental insurance and life insurance by the eligible retiree. Retiree benefits are prorated based on the average number of hours the employee worked over the total number of employed years.

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the District's Board of Education. Contributions to the Plan are calculated at 1% of monthly payroll, and are contributed on a quarterly basis. An ad-hoc payment may be contributed annually, at the discretion of the Board of Education.

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2023:

	Number of Participants
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	79
Active employees	231
	310

Contributions to the Plan from the District were $296,288 for the year ended June 30, 2023. Employees are not required to contribute to the OPEB plan.

OPEB Plan Investments: The discount rate of 5.60% was determined using PARS Balanced Investment Policy asset allocation.

(Continued)

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

The District's total OPEB liability was measured as of June 30, 2022, which was determined by an actuarial valuation as of June 30, 2021.

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

Actuarial Method	Entry Age actuarial cost method.
Discount Rate	5.60%. Based on PARS Balanced Investment Policy.
Long-Term Investment Rate of Return	The long-term rate of return on investments was determined to be 6.85%. This was computed as Balanced Investment Policy.
Mortality Rates	Mortality rates were taken from the most recent experience studies for CalPERS (2017) and CalSTRS (2016).
Turnover/Retirement Rates	Termination and retirement rates were taken from the most recent experience studies for CalPERS (2017) and CalSTRS (2016).
Inflation Rate	2.26% per year
Health Care Increases	Medical insurance premiums are assumed to increase by 6.84% for Pre-65, decreasing to 4.00% by 2069. Trend rates for Post-65 were assumed at 5.15% decreasing to 4.0% by 2069.
Salary Increases	2.75% per year
Coverage Elections	100% of eligible employees are assumed to elect coverage upon retirement, and to remain covered under the District plans until age 65.
Medicare Coverage	All current and future participating retirees and spouses will qualify for Medicare coverage and enroll in Parts A and B upon age 65.
Percent Married	30% of plan participants are assumed to be married.

(Continued)

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2022	$ 10,034,819	$ 1,185,524	$ 8,849,295
Changes for the year:			
Service cost	631,212	-	631,212
Interest	419,287	-	419,287
Employer contributions	-	211,427	(211,427)
Changes in assumptions	(2,435,734)	-	(2,435,734)
Changes in benefit terms	220,092	-	220,092
Differences between expected and actual experience	(16,732)	-	(16,732)
Net investment income	-	(205,319)	205,319
Administrative expense	-	(6,477)	6,477
Benefit payments	(157,465)	(157,465)	-
Net change	(1,339,340)	(157,834)	(1,181,506)
Balance at June 30, 2023	$ 8,695,479	$ 1,027,690	$ 7,667,789

Fiduciary Net Position as a percent of the Total OPEB Liability, at June 30, 2023: 11.82%

Changes in assumptions: Changes in assumptions include the mortality rates to use the 2017 CalPERS OPEB Assumptions Model (for classified employees) and from the 2016 valuation of CalSTRS (for certificated employees). The discount rate was updated from 3.96% to 5.60% in the June 30, 2022 valuation.

There were no changes between the measurement date and the year ended June 30, 2023, which had a significant effect on the District's total OPEB liability.

Sensitivity of the Net OPEB Liability to changes in the Discount Rate: The following presents the Net OPEB Liability of the District, as well as what the District's Net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
Net OPEB liability	$ 8,998,091	$ 7,667,789	$ 6,488,005

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates: The following presents the Net OPEB Liability of the District, as well as what the District's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.0%)	Healthcare Cost Trend Rates (4.0%)	1% Increase (5.0%)
Net OPEB liability	$ 6,352,266	$ 7,667,789	$ 9,239,481

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the District recognized OPEB expense of $1,147,131. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 26,029	$ 1,494,337
Changes in assumptions	2,765,945	2,205,513
Net differences between projected and actual earnings on investments	143,938	-
Contributions after measurement date	296,288	-
Total	$ 3,232,200	$ 3,699,850

$296,288 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2024	$ (49,078)
2025	$ (52,701)
2026	$ (59,763)
2027	$ (24,992)
2028	$ (82,618)
Thereafter	$ (494,786)

NOTE 10 - JOINT POWERS AGREEMENT

River Delta Unified School District participates in a joint venture under a joint powers agreement with Government Financial Services Joint Powers Authority (GFSJPA). GFSJPA is a newly formed entity and does not yet have any audited financial statements. In addition, River Delta Unified School District participates in a joint venture under a joint powers agreement with Schools Insurance Authority (SIA). The relationship between River Delta Unified School 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.

SIA arranges for and provides property, liability, workers' compensation, dental and vision insurance coverage for its members. The JPA's governing board consist of a representative from each member district. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district is obligated to pay an amount commensurate with the level of coverage requested and may be subject to assessments. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from the prior year.

The following is a summary of condensed financial information of Schools Insurance Authority for the year ended June 30, 2022:

Total assets	$ 211,771,868
Deferred outflows of resources	$ 1,751,462
Total liabilities	$ 86,615,462
Total deferred inflows of resources	$ 3,674,124
Total net position	$ 123,233,744
Total revenues	$ 59,357,945
Total expenses	$ 66,482,201
Change in net position	$ (7,124,256)

NOTE 11 - CONTINGENCIES

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

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

NOTE 12 – SUBSEQUENT EVENT

On August 23, 2023, the District issued Election of 2020, Series 2023 General Obligation Bonds of School Facilities Improvement District No. 2 in the amount of $6,800,000. The proceeds were used to finance specific school facilities projects approved by voters. The Bonds bear interest at a 4.125% - 5.0% rate and are scheduled to mature through August 2052.

REQUIRED SUPPLEMENTARY INFORMATION

RIVER DELTA UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2023

	Budget			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues:				
LCFF:				
State apportionment	$ 10,489,008	$ 10,266,110	$ 10,266,110	$ -
Local sources	11,122,976	11,965,758	11,965,758	-
Total LCFF	21,611,984	22,231,868	22,231,868	-
Federal sources	4,209,290	3,034,199	3,034,199	-
Other state sources	2,517,494	6,676,659	6,723,864	47,205
Other local sources	1,471,024	1,548,349	1,549,614	1,265
Total revenues	29,809,792	33,491,075	33,539,545	48,470
Expenditures:				
Current:				
Certificated salaries	9,845,120	11,666,491	11,666,491	-
Classified salaries	4,227,658	4,765,405	4,765,405	-
Employee benefits	4,656,622	6,706,230	6,706,230	-
Books and supplies	5,523,941	1,519,373	1,519,373	-
Contract services and operating				-
expenditures	4,350,926	4,430,324	4,430,324	-
Other outgo	1,900	65,044	65,044	-
Capital outlay	78,054	556,835	556,835	-
Total expenditures	28,684,221	29,709,702	29,709,702	-
Excess of revenues over expenditures	1,125,571	3,781,373	3,829,843	48,470
Other financing (uses) sources:				
Transfers in	17,122	-	9,519	9,519
Transfers out	(223,720)	(687,435)	(687,435)	-
Total other financing (uses) sources	(206,598)	(687,435)	(677,916)	9,519
Net change in fund balance	918,973	3,093,938	3,151,927	57,989
Fund balance, July 1, 2022	11,988,062	11,988,062	11,988,062	-
Fund balance, June 30, 2023	$ 12,907,035	$ 15,082,000	$ 15,139,989	$ 57,989

See accompanying note to required supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2023

Last 10 Fiscal Years*

	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	$ 246,741	$ 246,742	$ 272,033	$ 285,214	$ 299,474	$ 631,212
Interest	405,465	434,186	474,146	460,311	500,732	419,287
Changes in assumptions	-	-	265,140	-	3,191,975	(2,435,734)
Changes in benefit terms	-	-	-	-	-	220,092
Differences betw een expected and actual experience	(27,572)	46,244	(1,101,429)	(12,684)	(887,507)	(16,732)
Benefit payments	(171,079)	(240,742)	(95,068)	(156,022)	(158,044)	(157,465)
Net change in total OPEB liability	453,555	486,430	(185,178)	576,819	2,946,630	(1,339,340)
Total OPEB liability, beginning of year	5,756,563	6,210,118	6,696,548	6,511,370	7,088,189	10,034,819
Total OPEB liability, end of year (a)	$ 6,210,118	$ 6,696,548	$ 6,511,370	$ 7,088,189	$ 10,034,819	$ 8,695,479
Plan fiduciary net position						
Employer contributions	$ 224,914	$ 548,767	$ 162,644	$ 230,273	$ 237,823	$ 211,427
Net investment income	17,326	24,651	30,871	20,511	236,188	(205,319)
Administrative expense	(1,384)	(1,275)	(1,758)	(2,015)	(2,558)	(6,477)
Benefits payment	(171,079)	(240,742)	(95,068)	(156,022)	(158,044)	(157,465)
Change in plan fiduciary net position	69,777	331,401	96,689	92,747	313,409	(157,834)
Fiduciary trust net position, beginning of year	281,501	351,278	682,679	779,368	872,115	1,185,524
Fiduciary trust net position, end of year (b)	$ 351,278	$ 682,679	$ 779,368	$ 872,115	$ 1,185,524	$ 1,027,690
Net OPEB liability, ending (a) - (b)	$ 5,858,840	$ 6,013,869	$ 5,732,002	$ 6,216,074	$ 8,849,295	$ 7,667,789
Covered employee payroll	$ 11,107,008	$ 11,333,682	$ 13,991,170	$ 11,970,542	$ 12,290,696	$ 12,782,324
Plan fiduciary net position as a percentage of the total OPEB liability	6%	10%	12%	12%	12%	12%
Net OPEB liability as a percentage of covered payroll	53%	53%	48%	51%	72%	60%

* This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior. All years prior to 2018 are not available.

See accompanying note to required supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - OPEB
For the Year Ended June 30, 2023

Last 10 Fiscal Years*

	2018[1]	2019[1]	2020[2]	2021[2]	2022[3]	2023[4]
Actuarially determined contribution	$ 652,050	$ 687,880	$ 746,438	$ 752,809	$ 821,257	$ 898,464
Contributions in relation to the actuarially determined contribution	(224,914)	(548,767)	(162,644)	(230,273)	(237,823)	(211,427)
Contribution deficiency (excess)	$ 427,136	$ 139,113	$ 583,794	$ 522,536	$ 583,434	$ 687,037
Covered employee payroll	$ 11,333,682	$ 13,991,170	$ 11,970,542	$ 12,290,696	$ 12,782,324	$ 16,313,260
Contributions as a percentage of covered employee payroll	1.98%	3.92%	1.36%	1.87%	1.86%	1.30%

1. The ADC for the District's fiscal years ended June 30, 2019 and 2018 was determined within the February 1, 2017 valuation using a 6.85% discount rate.
2. The ADC for the District's fiscal years ended June 30, 2021 and 2020 was determined within the June 30, 2019 valuation using a 6.85% discount rate.
3. The ADC for the District's fiscal year ended June 30, 2022 was determined within the June 30, 2021 valuation using a 3.96% discount rate.
4. The ADC for the District's fiscal year ended June 30, 2023 was determined within the June 30, 2022 valuation using a 5.60% discount rate.

* *This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.*

See accompanying note to required supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2023

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.017%	0.017%	0.022%	0.014%	0.015%	0.015%	0.015%	0.013%	0.013%
District's proportionate share of the net pension liability	$ 9,808,000	$ 11,485,000	$ 18,182,000	$ 13,317,000	$13,739,000	$ 13,789,000	$14,971,000	$ 6,056,000	$ 9,117,000
State's proportionate share of the net pension liability associated with the Distric	5,923,000	6,074,000	10,351,000	7,878,000	7,866,000	7,523,000	8,182,000	3,603,000	5,153,000
Total net pension liability	$ 15,731,000	$ 17,559,000	$ 28,533,000	$ 21,195,000	$21,605,000	$ 21,312,000	$23,153,000	$ 9,659,000	$ 14,270,000
District's covered payroll	$ 7,476,000	$ 7,918,000	$ 11,203,000	$ 7,632,000	$ 8,101,000	$ 8,367,000	$ 8,303,000	$ 7,424,000	$ 7,794,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.19%	145.05%	162.30%	174.49%	169.60%	164.80%	180.31%	81.57%	116.97%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.00%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2023

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.034%	0.033%	0.034%	0.033%	0.033%	0.032%	0.031%	0.028%	0.029%
District's proportionate share of the net pension liability	$ 3,806,000	$ 4,863,000	$ 6,637,000	$ 7,773,000	$ 8,844,000	$ 9,378,000	$ 9,538,000	$ 5,699,000	$ 9,807,000
District's covered payroll	$ 3,519,000	$ 3,652,000	$ 4,032,000	$ 4,151,000	$ 4,372,000	$ 4,467,000	$ 4,482,000	$ 4,044,000	$ 4,650,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.16%	133.16%	164.61%	187.26%	202.29%	209.94%	212.81%	140.92%	210.90%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%

The amounts presented for each fiscal year were determined as of the year-end that occurred on year prior.

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	$ 703,134	$ 1,202,094	$ 960,073	$ 1,169,005	$ 1,362,119	$ 1,505,264	$ 1,417,992	$ 1,488,748	$ 2,044,072
Contributions in relation to the contractually required contribution	(703,134)	(1,202,094)	(960,073)	(1,169,005)	(1,362,119)	(1,505,264)	(1,417,992)	(1,488,748)	(2,044,072)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,918,000	$ 11,203,000	$ 7,632,000	$ 8,101,000	$ 8,367,000	$ 8,303,000	$ 7,424,000	$ 7,794,000	$ 10,702,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10% *	19.10% **	19.62% ***	19.10%

* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90.

*** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.18 percentage points to be paid on behalf of employers pursuant to SB 90.

All years prior to 2015 are not available.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PENSIONS
For the Year Ended June 30, 2023

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	$ 429,930	$ 477,630	$ 576,600	$ 679,010	$ 806,909	$ 883,814	$ 837,107	$ 1,065,374	$ 1,318,939
Contributions in relation to the contractually required contribution	(429,930)	(477,630)	(576,600)	(679,010)	(806,909)	(883,814)	(837,107)	(1,065,374)	(1,318,939)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,652,000	$ 4,032,000	$ 4,151,000	$ 4,372,000	$ 4,467,000	$ 4,482,000	$ 4,044,000	$ 4,650,000	$ 5,199,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule - The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

Schedule of Changes in The District's Net Other Postemployment Benefits (OPEB) Liability: The Schedule of Changes in Net OPEB Liability presents multi-year information which illustrates the changes in the net OPEB liability for each year presented.

Schedule of the District's Contributions – OPEB: The Schedule of District Contributions - OPEB is presented to illustrate the District's required contributions relating to the District's OPEB plan. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Contributions – Pensions: The Schedule of District Contributions - Pensions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions: Changes in assumptions include the mortality rates to use the 2017 CalPERS OPEB Assumptions Model (for classified employees) and from the 2016 valuation of CalSTRS (for certificated employees). The discount rate used for the OPEB liability were 6.85%, 3.96%, and 5.60% at the June 30, 2020, 2021 and 2022 measurement dates.

The discount rates used for the Public Employer's Retirement Fund B (PERF B) plan were 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15, 7.15 and 6.90 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The inflation rates used for the PERF B plan were 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, and 2.30 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

	Measurement Period							
Assumption	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

RIVER DELTA UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2023

	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Capital Projects Fund	Total
ASSETS							
Cash in investments:							
Cash in County Treasury	$ 82,795	$ 56,133	$ 244,724	$ 1,150,089	$ 3,446	$ 917,970	$ 2,455,157
Cash in banks	-	-	725	-	-	-	725
Receivables	2,215	1,329	331,011	23,294	77	15,416	373,342
Stores inventory	-	-	20,617	-	-	-	20,617
Total assets	$ 85,010	$ 57,462	$ 597,077	$ 1,173,383	$ 3,523	$ 933,386	$ 2,849,841
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 13,418	$ 3,968	$ 37,148	$ -	$ -	$ 3,056	$ 57,590
Due to other funds	5,482	4,037	-	-	-	-	9,519
Unearned revenue	-	49,677	-	-	-	-	49,677
Total liabilities	18,900	57,682	37,148	-	-	3,056	116,786
Fund balances:							
Nonspendable	-	-	20,617	-	-	-	20,617
Restricted	66,110	-	539,312	1,173,383	3,523	930,330	2,712,658
Unrestricted	-	(220)	-	-	-	-	(220)
Total fund balances	66,110	(220)	559,929	1,173,383	3,523	930,330	2,733,055
Total liabilities and fund balances	$ 85,010	$ 57,462	$ 597,077	$ 1,173,383	$ 3,523	$ 933,386	$ 2,849,841

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the Year Ended June 30, 2023

	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Capital Projects Fund	Total
Revenues:							
Federal sources	$ -	$ -	$ 1,009,512	$ -	$ -	$ -	$ 1,009,512
Other state sources	105,801	301,714	477,223	-	-	-	884,738
Other local sources	3,127	2,343	5,534	154,743	125	377,605	543,477
Total revenues	108,928	304,057	1,492,269	154,743	125	377,605	2,437,727
Expenditures:							
Current:							
Certificated salaries	25,048	6,982	-	-	-	-	32,030
Classified salaries	21,722	193,728	393,895	-	-	-	609,345
Employee benefits	16,514	94,340	169,527	-	-	-	280,381
Books and supplies	27,162	5,857	21,913	-	-	-	54,932
Contract services and operating expenditures	34,812	96	678,190	65,846	-	8,861	787,805
Debt service:							
Principal retirement	-	-	-	542,217	-	-	542,217
Interest	-	-	-	32,209	-	-	32,209
Total expenditures	125,258	301,003	1,263,525	640,272	-	8,861	2,338,919
(Deficiency) excess of revenues (under) over expenditures	(16,330)	3,054	228,744	(485,529)	125	368,744	98,808
Other financing (uses) sources:							
Transfers in	-	-	-	544,460	-	142,975	687,435
Transfers out	(5,482)	(4,037)	-	-	-	-	(9,519)
Total other financing (uses) sources	(5,482)	(4,037)	-	544,460	-	142,975	677,916
Net change in fund balances	(21,812)	(983)	228,744	58,931	125	511,719	776,724
Fund balances, July 1, 2022	87,922	763	331,185	1,114,452	3,398	418,611	1,956,331
Fund balances, June 30, 2023	$ 66,110	$ (220)	$ 559,929	$ 1,173,383	$ 3,523	$ 930,330	$ 2,733,055

See accompanying notes to supplementary information.

River Delta Unified School District was established on July 1, 1967 and is comprised of an area of approximately 500 square miles in Yolo, Sacramento and Solano Counties. There were no changes in the boundaries of the District during the year. The District currently operates five elementary schools (D.H. White Elementary, Isleton Elementary, Walnut Grove Elementary, Bates Elementary, and Delta Elementary Charter Schools), two middle schools (Riverview Middle and Clarksburg Middle Schools), two high schools (Rio Vista High and Delta High Schools), one continuation high school (Mokelumne High School), one adult school (Wind River School), one independent study school (River Delta High/Elementary School) and one community day school (River Delta-Community Day School).

GOVERNING BOARD

Name	Office	Term Expires
Marcial Lamera	President	December 2026
Jennifer Stone	Vice President	December 2026
Randal Jelly	Clerk	December 2024
Dan Mahoney	Member	December 2026
Rafaela Casillas	Member	December 2026
Marilyn Riley	Member	December 2024
Wanda Apel	Member	December 2024

ADMINISTRATION

Katherine Wright
Superintendent

Jennifer Gaston
Executive Assistant to the Superintendent
and Board of trustees

Tammy Busch
Assistant Superintendent of Business Services

Ken Gaston
Director of Maintenance Operations and Transportation

Nancy Vielhauer
Assistant Superintendent of Educational Services

Codi Agan
Director of Personnel

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
June 30, 2023

	Second Period Report	Annual Report
Certificate #:	C14201	771B5BD3
Elementary:		
Transitional Kindergarten through Third	431	437
Fourth through Six	309	312
Seventh through Eighth	278	276
Special Education	1	2
Total Elementary	1,019	1,027
Secondary:		
Ninth through Twelfth	585	581
Special Education	3	2
Total Secondary	588	583
Total ADA	1,607	1,610

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2023

Grade Level	Statutory Minutes Require-ment	2022-2023 Actual Minutes Offered*	Credited Minutes Per Approved Forms J-13A*	2022-2023 Total Reported Minutes	2022-2023 Actual Days Offered*	Credited Days Per Approved Forms J-13A*	Number of Days Traditional Calendar	Status
Kindergarten	36,000	53,515	650	54,165	178	2	180	In compliance
Grade 1	50,400	53,515	650	54,165	178	2	180	In compliance
Grade 2	50,400	53,515	650	54,165	178	2	180	In compliance
Grade 3	50,400	53,515	650	54,165	178	2	180	In compliance
Grade 4	54,000	53,515	650	54,165	178	2	180	In compliance
Grade 5	54,000	53,515	650	54,165	178	2	180	In compliance
Grade 6	54,000	53,515	650	54,165	178	2	180	In compliance
Grade 7	54,000	58,291	828	59,119	177	3	180	In compliance
Grade 8	54,000	58,291	828	59,119	177	3	180	In compliance
Grade 9	64,800	64,350	640	64,990	177	3	180	In compliance
Grade 10	64,800	64,350	640	64,990	177	3	180	In compliance
Grade 11	64,800	64,350	640	64,990	177	3	180	In compliance
Grade 12	64,800	64,350	640	64,990	177	3	180	In compliance

* The District closed all school sites for two days during the 2022-2023 school year (January 9-10, 2023) in response to weather-related issues. The District received credit for both days of school closures, and related minutes, through an approved Form J-13A waiver. The District received approval for its Form J-13A waiver on December 1, 2023. In addition, the District closed two school sites on March 22, 2023 due to a power grid issue which caused an outage effecting both locations. The District received credit for both day of school closure, and related minutes, through an approved Form J-13A waiver. The District received approval for the second Form J-13A waiver on February 19, 2024.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Assistance Listing (AL) 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 Local Assistance, Pt. B, Sec. 611	13379	$ 326,920
84.173	Special Ed: IDEA Preschool Grants, Pt. B, Sec 619	13430	5,050
84.027A	Special Ed: IDEA Mental Health Allocation Plan, Pt. B, Sec. 611	15197	26,383
84.027	COVID-19: Special Ed: ARP IDEA Pt. B, Sec. 611, Local Assistance	15638	59,587
84.173	COVID-19: Special Ed: ARP IDEA Pt. B, Sec. 619, Preschool Grants	15639	2,369
	Subtotal Special Education Cluster		420,309
	COVID-19: Education Stabilization Fund (ESF) Programs:		
84.425	COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	15547	1,169,252
84.425	COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	38,162
84.425U	COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	10155	195,546
84.425D	COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve	15618	207,529
84.425C	COVID-19: Expanded Learning Opportunities Grant: Governor's Emergency Education Relief II (GEER II)	15619	47,630
84.425U	COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	15621	4,600
84.425	COVID-19: ASES Rate Increase: ESSER III State Reserve Summer Learning Programs	15652	120,119
84.425	COVID-19: American Rescue Plan - Homeless Children and Youth II (ARP HCY II)	15566	3,147
	Subtotal COVID-19: ESF Programs		1,785,985
84.010	ESEA: Title I Part A, Basic Grants Low-Income and Neglected	14329	651,037
84.365	ESEA: Title III, English Learner Student Program	14346	51,153
84.367	ESEA: Title II, Part A, Supporting Effective Instruction	14341	74,619
84.369	ESSA, Title V, Flexibility and Accountability	14501	3,063
	Total U.S. Department of Education		2,986,166

(Continued)

Assistance Listing (AL) Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expend-itures
	U.S. Department of Agriculture - Passed through California Department of Education		
	Child Nutrition Cluster:		
10.553	Child Nutrition: School Programs (e.g., School Lunch, School Breakfast, Milk, Pregnant & Lactating Students)	13390	$ 811,201
10.555	Child Nutrition: Supply Chain Assistance (SCA) Funds	15655	48,032
	Subtotal Child Nutrition Cluster		859,233
10.558	Child Nutrition - Child Care Food Program (CCFP)	13393	198,312
	Total U.S. Department of Agriculture		1,057,545
	Total Federal Programs		$ 4,043,711

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

	Building Fund
Unaudited actual financial statements ending fund balances June 30, 2023	$ 19,062,471
Audit adjustment to reverse amounts recorded as debt issuance instead of a transfer from Cash with Fiscal Agent to Cash in County Treasury.	(1,650,000)
Audit adjustment to recognize accounts payable for payments made after year end for services performed through June 30, 2023.	(722,407)
Audited ending fund balances, June 30, 2023	$ 16,690,064

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

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2023
(UNAUDITED)

	(Budget) 2024	2023	2022	2021
General Fund				
Revenues and other financing sources	$ 32,965,560	$ 33,549,064	$ 28,224,227	$ 25,671,837
Expenditures	36,992,102	29,709,702	24,424,714	23,878,068
Other uses and transfers out	-	687,435	211,675	203,157
Total outgo	36,992,102	30,397,137	24,636,389	24,081,225
Change in fund balance	$ (4,026,542)	$ 3,151,927	$ 3,587,838	$ 1,590,612
Ending fund balance	$ 11,113,447	$ 15,139,989	$ 11,988,062	$ 8,400,224
Available reserves	$ 10,033,689	$ 9,291,607	$ 9,567,157	$ 6,668,270
Designated for economic uncertainties	$ 1,848,749	$ 1,485,009	$ 1,220,599	$ -
Undesignated fund balance	$ 8,184,940	$ 7,806,598	$ 8,346,558	$ 6,668,270
Available reserves as percentages of total outgo	27.1%	30.6%	38.8%	27.7%
All Funds				
Total long-term liabilities	$ 58,017,650	$ 61,433,577	$ 57,543,103	$ 68,139,619
Average daily attendance at P-2	1,603	1,607	1,649	1,856

The fund balance of the General Fund has increased by $8,330,377 over the past three years. The fiscal year 2023-2024 budget projects a decrease of $4,026,542. For a district this size, the State of California recommends available reserves of at least 3 percent of total general fund expenditures, transfers out and other uses (total outgo). The District met this requirement.

The District has incurred operating surpluses in each of the past three years, and anticipates an operating deficit during the fiscal year 2023-2024.

Total long-term liabilities have decreased by $6,706,042 over the past two years.

Average daily attendance has decreased by 249 over the past two years. A decrease of 104 ADA is anticipated during fiscal year 2023-2024.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2023

Charter Schools Chartered by District	Included in District Financial Statements, or Separate Report
0853 – Delta Elementary Charter School	Separate Report

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FIRST 5 REVENUES AND EXPENDITURES
For the Year Ended June 30, 2023

	Academic and Support Services
Revenues:	
Other Local sources	$ 143,708
Expenditures:	
Certificated salaries	12,405
Classified salaries	75,863
Employee benefits	44,371
Books and supplies	343
Contract services and operating expenditure	4,353
Indirect costs	6,373
Total expenditures	143,708
Deficiency of revenues under expenditures	$ -

See accompanying notes to supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

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.

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

Schedule of Expenditure of Federal Awards: The Schedule of Expenditure of Federal Awards includes the federal award activity of River Delta Unified School District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements: This schedule provides the information necessary to reconcile the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis – Unaudited: This schedule provides trend information on the District's financial condition over the past three years and its anticipated condition for the 2023-2024 fiscal year, as required by the State Controller's Office.

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

Schedule of First 5 Revenues and Expenditures: This schedule provides information about the First 5 Sacramento County Program.

NOTE 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, 2023, the District did not adopt such a program.

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Education
River Delta Unified School District
Rio Vista, California

Report on Compliance

Opinion on State Compliance

We have audited River Delta Unified School District's (the District) compliance with the requirements specified in the State of California *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2023.

In our opinion, the District complied, in all material respects, with the compliance requirements that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2022-23 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Yes
E. Continuation Education	N/A, see below
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	N/A, see below
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	N/A, see below
N. Middle or Early College High Schools	N/A, see below
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	N/A, see below
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A, see below
TT. Home to School Transportation Reimbursement	Yes
UU. Independent Study Certification for ADA Loss Mitigation	N/A, see below

(Continued)

School Districts, County Offices of Education, and Charter Schools:	
T. California Clean Energy Jobs Act	N/A, see below
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study – Course-Based	N/A, see below
Z. Immunizations	N/A, see below
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
EZ. Transitional Kindergarten	Yes
Charter Schools:	
AA. Attendance	N/A, see below
BB. Mode of Instruction	N/A, see below
CC. Nonclassroom-Based Instruction/Independent Study	N/A, see below
DD. Determination of Funding for Nonclassroom-Based Instruction	N/A, see below
EE. Annual Instructional Minutes-Classroom Based	N/A, see below
FF. Charter School Facility Grant Program	N/A, see below

We did not perform any procedures related to Continuation Education programs, because the District's reported ADA for Continuation Education was below the level that requires testing in the current audit year.

We did not perform any procedures related to Early Retirement Incentive Programs in the current year because the District did not offer this program in the current audit year.

We did not perform any procedures related to Juvenile Court Schools because the District does not offer this program.

We did not perform any procedures related to Middle or Early College High Schools because the District does not have any Middle or Early College High Schools in the current audit year.

We did not perform any procedures related to Apprenticeship - Related and Supplemental Instruction because the District did not report attendance hours for applicable Apprenticeship courses in the current audit year.

We did not perform any procedures related to District of Choice because the District did not operate as a District of Choice in the current audit year.

The District did not file a certification for ADA Loss Mitigation with the State; therefore, they did not receive an ADA Adjustment and are not subject to the audit requirement.

We did not perform any procedures related to California Clean Energy Jobs Act because there were no clean energy jobs act expenditures incurred or projects completed in the current audit year.

We did not perform any procedures related to Independent Study-Course based because the District did not report ADA generated from Independent Study - Course Based in the current audit year.

The District's schools submitted timely immunization assessment reports to the California Department of Public Health in the current audit year; therefore, we did not perform any procedures related to Immunizations program.

We did not perform any procedures related to Charter schools because the District did not include any charter schools in this report, specifically we did not perform procedures for section AA, BB, CC, DD, EE and FF.

(Continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance regarding After/Before School Education and Safety and School Accountability Report Card, which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2023-002 and 2023-003.

Government Auditing Standards requires the auditor to perform limited procedures on River Delta Unified School District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. River Delta Unified School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with compliance requirement 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
March 13, 2024

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Crowe LLP
Independent Member Crowe Global

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 Education
River Delta Unified School District
Rio Vista, 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 River Delta Unified School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise River Delta Unified School District's basic financial statements, and have issued our report thereon dated March 13, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify one deficiency in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-001 that we consider to be a material weakness.

(Continued)

Report on Compliance and Other Matters

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

River Delta Unified School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on River Delta Unified School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. River Delta School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
March 13, 2024

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Crowe LLP
Independent Member Crowe Global

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

Board of Education
River Delta Unified School District
Rio Vista, California

Report on Compliance on First 5 Sacramento County Program

Opinion on Compliance on First 5 Sacramento County Program

We have audited River Delta Unified School District's compliance 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, 2023.

In our opinion, River Delta Unified 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, 2023.

Basis for Opinion on Compliance with First 5 Sacramento County Program

Our responsibility is to express an opinion on compliance on River Delta Unified School District's First 5 Sacramento County Program based on our audit 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 and the Program Guidelines for the First 5 Sacramento County Program. 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 River Delta Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its First 5 Sacramento County Program.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Program Guidelines for the First 5 Sacramento County Program will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Program Guidelines for the First 5 Sacramento County Program, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing over compliance and results of that testing based on requirements of the First 5 Sacramento County Program. Accordingly, this report is not suitable of any other purposes.

Crowe LLP

Crowe LLP

Sacramento, California
March 13, 2024

Crowe LLP
Independent Member Crowe Global

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

Board of Education
River Delta Unified School District
Rio Vista, California

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited River Delta Unified School District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on River Delta Unified School District's major federal program for the year ended June 30, 2023. River Delta Unified School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, River Delta Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of River Delta Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of River Delta Unified School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to River Delta Unified School District's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on River Delta Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about River Delta Unified School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we,

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding River Delta Unified School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of River Delta Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of River Delta Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Crowe LLP

Crowe LLP

Sacramento, California
March 13, 2024

FINDINGS AND RECOMMENDATIONS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	X Yes	___ 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 auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	X No

Identification of major programs tested:

AL Number(s)	Name of Federal Program or Cluster
84.425, 84.425C, 84.425D, 84.425U	COVID-19: ESF Programs

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

STATE AWARDS

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

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

2023-001 - MATERIAL WEAKNESS – INTERNAL CONTROL OVER FINANCIAL REPORTING (30000)

Criteria: Management is responsible for the preparation and fair presentation of the District's financial statements, as well as the design, implementation and maintenance of relevant internal controls to ensure the financial statements are free from material misstatement, whether due to fraud or error.

Condition: The following items were noted as deficiencies in internal control over financial reporting which were collectively determined to be a material weakness:

- In the District's Building Fund, amounts transferred from Cash With Fiscal Agent to Cash in County Treasury totaling $1,650,000 were recorded as proceeds from issuance of debt and increase in Cash in County Treasury. The incorrect entry resulted in an overstatement of revenue and Cash in County Treasury within the Building Fund. A material adjustment was necessary to accurately reflect the cash balance for Cash in County Treasury, Cash With Fiscal Agent and Other financing sources of the Building Fund.
- Testing of accounts payable in the District's Building Fund identified that some invoices received after fiscal year-end, for services performed during fiscal year 2023, were not accrued as accounts payable as of June 30, 2023. The extrapolated effect of invoices which should have been accrued totaled $722,407. A material adjustment was necessary to accrue these items in accounts payable as of June 30, 2023.

Effect: Adjusting journal entries were necessary to report the financial position of the District in accordance with Generally Accepted Accounting Principles, and in accordance with the California School Accounting Manual.

Cause: The District's internal controls over financial reporting did not function at a sufficient level of precision to identify the misstatement during the review process.

Recommendation: Management should implement or update internal control procedures related to draw-downs from Cash with Fiscal Agent for the utilization of its previously issued bond proceeds. In addition, management should implement or update internal control procedures related to its financial close process for accrual of accounts payable.

Views of Responsible Officials and Planned Corrective Actions: The Assistant Superintendent of Business Services will make the appropriate cash transfer entries as part of financial close process for the annual unaudited actuals reporting. The appropriate cash transfers will be accurately accounted moving forward, with the District's fiscal agent.

In addition, the District's Accounts Payable staff have subsequently been trained that all liabilities need to be accrued as of the date that services are provided or upon transfer of ownership of purchased items.

(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

2023-002 - DEFICIENCY – AFTER/BEFORE SCHOOL EDUCATION AND SAFETY PROGRAM (40000)

Criteria: Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Section 401 and 421 (b) and Education Code Section 44809 – Each LEA must develop and maintain accurate and adequate records to support attendance report to the State of California.

Condition: At one school site selected for attendance testing of the after school program, supporting documentation did not agree to the attendance report for dates tested. A total overstatement of 46 students were noted for the after school program on 3 dates tested at the selected school site.

Context: We performed the audit procedures enumerated in the State of California *2022-23 Guide Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District did not comply with the After/Before School Education and Safety Program requirements for the year ended June 30, 2023.

Cause: The error was the result of a clerical error in accounting for student attendance.

Recommendation: The District should enforce controls to ensure accurate accounting for attendance of students participating in After/Before School Education and Safety Program.

Views of Responsible Officials and Planned Corrective Action: Management concurs with the finding, and will continue to provide training to staff who are responsible for attendance reporting at the school sites.

(Continued)

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

2023-003 - DEFICIENCY - SCHOOL ACCOUNTABILITY REPORT CARD (72000)

Criteria: Education Code Section 33126(b)(8) requires that the school accountability report card shall include, but is not limited to, assessment of the following school conditions: (8) Safety, cleanliness, and adequacy of school facilities, including any needed maintenance to ensure good repair as specified in Section 17014, Section 17032.5, subdivision (a) of Section 17070.75, and subdivision (b) of Section 17089.

Condition: At one school site selected for testing, teacher assignments and/or vacancy attributes as identified on the site's school accountability report card were not consistent with the supporting documentation provided by management.

Context: We performed the audit procedures enumerated in the State of California *2022-23 Guide Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is not in compliance with Education Code 33126(b)(8).

Cause: The inconsistencies were the result of clerical errors in the preparation of the school accountability report card.

Recommendation: Management should update or implement internal control procedures to ensure that all sites' school accountability report cards are completed appropriately and agree to the supporting information for each relevant reporting area as required by Education Code 33126(b)(8).

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding, and will work to ensure that the school accountability report cards are completed appropriately for future fiscal periods.

STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS

2022-001 STATE COMPLIANCE - ATTENDANCE REPORTING (10000)

Condition: At Clarksburg Middle School one student was improperly claimed for apportionment for a total overstatement of one date of attendance or 0.01 ADA.

Recommendation: The District should enforce established internal controls over attendance accounting and reporting, to ensure accurate accounting for attendance.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

2022-002 STATE COMPLIANCE – CAREER TECHNICAL EDUCATION INCENTIVE GRANT (40000)

Condition: The District was unable to provide evidence that the required two dollars for every one dollar match requirement was correctly established in the District's budget. The District's required match amount was $335,838, however the District's budget identified the budgeted match of $110,338, therefore the District's budgeted match was deficient by $225,500.

Recommendation: We recommend the District's budget reflect the required District match amount for the CTEIG program of two dollars for every one dollar provide by the CTEIG grant.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

2022-003 – STATE COMPLIANCE – INDEPENDENT STUDY (40000)

Condition: The District was unable to provide completed signed independent study agreements and/or other relevant required information for a total of six students claimed for independent study attendance.

Recommendation: The District should enforce controls to ensure signed independent study agreements and required work samples are maintained for all students claimed for ADA in the independent study program.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

(Continued)

2022-004 STATE COMPLIANCE – EXPANDED LEARNING OPPORTUNITIES GRANT (ELOG) (40000)

Condition: The District adopted the ELOG plan at the May 26, 2021 board meeting however did not submit to the County Office of Education.

Recommendation: The District should ensure the plan is submitted to the County Office of Education within 5 days of adoption.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

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APPENDIX C
GENERAL INFORMATION ABOUT THE CITY AND COUNTIES

The following information concerning the City of Rio Vista (the "City") as well as Sacramento County and Solano County (collectively, the "Counties") is included only for the purpose of supplying general information regarding the area of SFID No. 1 and the School District. The Bonds are not a debt of the City and Counties, the State of California (the "State") or any of its political subdivisions, and neither the City, Counties, the State, nor any of its political subdivisions is liable therefor. This Appendix includes information that is generally as of dates and for periods before the economic impacts of the COVID-19 pandemic (as defined in this Official Statement) and the measures instituted in response thereto. Although the public health emergencies have been terminated, COVID-19 appears to be transitioning from a pandemic to endemic stage, and as result the geographic spread or mutation of the virus (notwithstanding the general availability of vaccines and boosters to combat the virus), the duration and severity of the outbreak, and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain.

General Information

The boundaries of SFID No. 1 include the cities of Rio Vista in Solano County and Isleton in Sacramento County, as well as unincorporated areas of Sacramento County and Solano County. SFID No. 1's boundaries are contiguous with the attendance boundaries of Rio Vista High School. SFID No. 1 is located approximately 35 to 50 miles southwest of Sacramento, California and approximately 60 miles northeast of San Francisco, California. The main industry within the region is agriculture, with pears and endive being some of the main crops. The Sacramento River and other rivers along with sloughs are located within SFID No. 1, providing opportunities for recreational activities such as boating and fishing. Just outside of the City of Rio Vista are renewable energy projects with over 750 wind turbines.

Sacramento County. Sacramento County incorporated in 1850 as one of the original 27 counties of the State. Sacramento County is located in the central region of the State approximately 75 miles east of the City of San Francisco, encompassing approximately 994 square miles of the northern section of the Central Valley, the State's prime agricultural region. Sacramento County extends to the low delta lands in its southern portion, with direct access to the San Francisco Bay, and east to the Sierra Nevada foothills. Sacramento County includes seven incorporated cities, the largest of which, the City of Sacramento, is the seat of government for the State. Based on data compiled by Redfin, the median sale price of a single-family home in Sacramento County was $510,000 in January 2024, an increase of approximately three percent from the prior year.

Solano County. Solano County, organized in 1850, is located approximately 45 miles northeast of City of San Francisco and 45 miles southwest of the City of Sacramento. Encompassing approximately 909 square miles, Solano County is made up of rural and farmland, urban cities and unincorporated areas, delta lands, waterfront and a coastal range. Solano County has seven incorporated cities including the City of Rio Vista. Based on data compiled by Redfin, the median sale price of a single-family home in Solano County was $575,000 in January 2024, a decrease of approximately 0.69 percent from the prior year.

City of Rio Vista. The City of Rio Vista, incorporated in 1893 and comprised of approximately seven square miles, is located approximately 60 miles northeast of San Francisco on the shore of the Sacramento River at the eastern end of Solano County bordering Sacramento County. Based on data compiled by Redfin, the median sale price of a single-family home in the City of Rio Vista was $425,450 in January 2024, an increase of approximately 1.7 percent from the prior year.

Population

The following table lists population figures for the City and Counties, including unincorporated portions of the County, and the State for calendar years 2019 through 2023.

CITY OF RIO VISTA, SACRAMENTO COUNTY,
SOLANO COUNTY, AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2019 through 2023

	2019	2020	2021	2022	2023
City of Rio Vista	9,670	9,990	9,952	9,916	9,988
Sacramento County					
Total Incorporated	950,644	972,660	970,195	970,276	973,934
Total Unincorporated	587,410	612,395	608,991	603,090	598,519
Solano County					
Total Incorporated	418,984	434,091	430,673	427,650	425,647
Total Unincorporated	19,221	19,400	18,443	18,231	18,102
State of California	39,605,361	39,538,223	39,286,510	39,078,674	38,940,231

Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State – January 1, 2011-2020, Sacramento, California, May 2021 (with 2010 Census Benchmark) and January 1, 2020-2023, Sacramento, California, May 2023 (with 2020 Census Benchmark).

Personal Income

The following table lists shows the *per capita* personal income for the Counties, the State, and the United State for calendar years 2018 through 2022. According to the United States Bureau of Economic Analysis, *per capita* personal income is calculated as the total personal income of the residents of a given area divided by the population of the area.

SACRAMENTO COUNTY, SOLANO COUNTY,
STATE OF CALIFORNIA, AND UNITED STATES
***Per Capita* Personal Income**
Calendar Years 2018 through 2022

	2018	2019	2020	2021	2022
Sacramento County	50,314	52,561	57,243	61,775	61,558
Solano County	48,556	51,540	57,029	59,873	58,273
State of California	60,984	64,174	70,061	76,991	77,036
United States	53,309	55,547	59,153	64,430	65,470

Source: U.S. Bureau of Economic Analysis, "CAINC1 County and MSA personal income summary: personal income, population, per capita income" (last updated November 16, 2023).

Labor Force and Employment

The tables below provide information about unemployment rates for the City and the Counties for calendar years 2018 through 2022, not seasonally adjusted. Unemployment rates are not available for the District. The unemployment rate is calculated using unrounded data. Data may not add due to rounding.

CITY OF RIO VISTA
Unemployment Rates
Calendar Years 2018 through 2022

	2018	2019	2020	2021	2022
Total Labor Force	3,000	2,600	3,300	3,500	3,300
Number of Employed	2,800	2,500	2,800	2,800	3,000
Number of Unemployed	100	100	600	600	400
Unemployment Rate	5.0%	4.8%	17.3%	18.0%	10.7%

Source: State of California Employment Development Department; Monthly Labor Force Data for Counties Annual Average, dated March 28, 2023, March 2022 Benchmark.

SACRAMENTO COUNTY
Unemployment Rates
Calendar Years 2018 through 2022

	2018	2019	2020	2021	2022
Total Labor Force	704,200	711,700	712,200	719,700	728,300
Number of Employed	676,900	685,300	644,800	669,900	699,800
Number of Unemployed	27,300	26,400	67,400	49,900	28,500
Unemployment Rate	3.9%	3.7%	9.5%	6.9%	3.9%

Source: State of California Employment Development Department; Monthly Labor Force Data for Counties Annual Average, dated March 28, 2023, March 2022 Benchmark.

SOLANO COUNTY
Unemployment Rates
Calendar Years 2018 through 2022

	2018	2019	2020	2021	2022
Total Labor Force	209,100	208,500	202,200	200,700	202,300
Number of Employed	200,800	200,600	182,500	185,800	193,800
Number of Unemployed	8,300	7,900	19,700	14,900	8,500
Unemployment Rate	3.9%	3.8%	9.8%	7.4%	4.2%

Source: State of California Employment Development Department; Monthly Labor Force Data for Counties Annual Average, dated March 28, 2023, March 2022 Benchmark.

Major Employers

The following tables identify the 10 major employers, number of employees, and percent of total employment in the City of Rio Vista and Sacramento County for fiscal year 2022-23 and in Solano County for fiscal year 2021-22.

CITY OF RIO VISTA
Major Employers

	Employer	Number of Employees[(1)]	Percent of Employment
1	River Delta Unified School District	255	9.16%
2	Rio Vista Farms LLC	125	4.49
3	Paul Graham Drilling & Service Company	110	3.95
4	California Vegetable Specialties, Inc.	80	2.87
5	Lira's Supermarket	57	2.05
6	Lindsay Transportation Solutions	44	1.58
7	City of Rio Vista	37	1.33
8	F&M Bank / Bank of Rio Vista	30	1.08
9	McDonald's	25	0.90
10	Warren E. Gomes Excavating Inc.	20	0.72
	Total Top Ten	2,785	28.11%

[(1)] Source: City of Rio Vista, Community Development
Source: City of Rio Vista, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.

SACRAMENTO COUNTY
Major Employers

	Employer	Number of Employees[(1)]	Percent of Employment
1	UC Davis Health System	16,075	2.30%
2	Kaiser Permanente	10,934	1.56
3	Sutter/California Health Services	9,350	1.33
4	Dignity/Mercy Healthcare	7,353	1.05
5	Intel Corporation	5,000	0.71
6	Raley's Inc./Bel Air	2,756	0.39
7	Siemens Mobility Inc.	2,500	0.36
8	Safeway	1,874	0.27
9	Golden 1 Credit Union	1,776	0.25
10	Pacific Gas & Electric Coo.	1,370	0.20
	Total Top Ten	58,988	8.42%

[(1)] Sources: Sacramento Business Journal Annual Book of Lists Current Year
Source: Sacramento County, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.

SOLANO COUNTY
Major Employers

	Employer	Number of Employees	Percent of Employment[1]
1	Travis AFB	13,100[3]	6.57%
2	County of Solano	3,127[2]	1.57
3	Fairfield-Suisun Unified School District	2,779[4]	1.39
4	NorthBay Healthcare System (formerly NorthBay Medical Center)	2,210[1]	1.11
5	Kaiser Foundation Hospitals	2,000[1]	1.00
6	Vallejo Unified School District	1,694[4]	0.85
7	California Medical Facility	1,557[1]	0.78
8	Vacaville Unified School District	1,312[5]	0.66
9	Genentech	1,100[1]	0.55
10	Westrust-nut tree	1,100[1]	0.55
	Total Top Ten	29,979	15.03%

[1] Employment figure from Workforce Development
[2] Solano County Human Resources
[3] Employment figure from Travis AFB
[4] Employment figure from USD
[5] Employment figure from Vacaville USD 6/2021
Source: Solano County, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022.

Commercial Activity

A summary of historic taxable sales within the City and the Counties during calendar years 2018 through 2022 is shown in the following tables.

CITY OF RIO VISTA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(dollars in thousands)

	2018	2019	2020	2021	2022
Sales Tax Permits	161	159	174	152	147
Taxable Sales	$76,755,747	$77,306,651	$75,150,088	$83,849,137	$81,208,895

Source: State of California Department of Tax & Fee Administration; Taxable Sales – by City (Taxable Table 4), last updated January 29, 2024.

SACRAMENTO COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(dollars in thousands)

	2018	2019	2020	2021	2022
Sales Tax Permits	39,066	40,858	45,361	42,482	44,158
Taxable Sales	$25,443,669,264	$26,836,365,483	$27,173,405,614	$33,918,019,785	$36,511,260,005

Source: State of California Department of Tax & Fee Administration; Taxable Sales – by County (Taxable Table 2), last updated January 29, 2024.

SOLANO COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(dollars in thousands)

	2018	2019	2020	2021	2022
Sales Tax Permits	10,255	10,539	11,553	11,000	11,253
Taxable Sales	$7,881,172,384	$8,251,271,969	$8,259,715,291	$9,733,516,158	$10,432,957,640

Source: State of California Department of Tax & Fee Administration; Taxable Sales – by County (Taxable Table 2), last updated January 29, 2024.

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Construction Activity

Estimated new privately-owned residential housing units authorized by building permits and total valuation in the County for the past five years for which data is available are shown in the table below.

SACRAMENTO COUNTY
New Residential Housing Units

	2018	2019	2020	2021	2022
Single Family Residential Units	3,578	3,897	3,447	4,156	3,635
Multi-Family Residential Units	1,089	1,691	2,723	2,043	1,556
Total New Residential Units	4,667	5,588	6,170	6,199	5,191
Total Valuation	$1,078,576,491	$1,328,332,690	$1,298,819,155	$1,504,351,969	$1,302,778,429

Source: United States Census Bureau, Building Permits Survey, ASCII files by State, CBSA, County or Place (last modified June 15, 2023).

SOLANO COUNTY
New Residential Housing Units

	2018	2019	2020	2021	2022
Single Family Residential Units	954	1,078	1,006	1,141	948
Multi-Family Residential Units	36	11	727	237	206
Total New Residential Units	990	1,089	1,733	1,378	1,154
Total Valuation	$241,759,433	$298,711,632	$381,134,936	$387,484,014	$296,733,888

Source: United States Census Bureau, Building Permits Survey, ASCII files by State, CBSA, County or Place (last modified June 15, 2023).

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

PARKER & COVERT LLP
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833

[CLOSING DATE]

Board of Trustees
River Delta Unified School District
445 Montezuma Street
Rio Vista, California 94571

Re: $[PAR AMOUNT]
General Obligation Bonds of
School Facilities Improvement District No. 1 of the
River Delta Unified School District
(Sacramento County and Solano County, California)
Election of 2020, Series 2024
Final Opinion of Bond Counsel

Members of the Board of Trustees:

We have acted as bond counsel in connection with the issuance by the River Delta Unified School District (the "District") of $[PAR AMOUNT] principal amount of the General Obligation Bonds of School Facilities Improvement District No. 1 of the River Delta Unified School District (Sacramento County and Solano County, California) Election of 2020, Series 2024 (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to *ad valorem* taxation without limitation regarding rate or amount (except certain personal property that is taxable at limited rates) to pay the Bonds. Sacramento County and Solano County are required by law to include in their respective annual tax levies the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all

requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

The rights of the owners of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PARKER & COVERT LLP

APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE

$[PAR AMOUNT]
GENERAL OBLIGATION BONDS OF
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF
THE RIVER DELTA UNIFIED SCHOOL DISTRICT
ELECTION OF 2020, SERIES 2024

CONTINUING DISCLOSURE CERTIFICATE

[CLOSING DATE]

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the River Delta Unified District (the "District") in connection with the issuance of $[PAR AMOUNT] aggregate principal amount of General Obligation Bonds of School Facilities Improvement District No. 1 of the River Delta Unified School District, Election of 2020, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to a First Supplemental Paying Agent Agreement dated as of April 1, 2024, supplementing the Paying Agent Agreement dated as of April 29, 2021 (altogether, the "Paying Agent Agreement"), between the District and the County of Sacramento (the "Paying Agent"). The District covenants and agrees as follows:

Section 1. **Purpose of the Disclosure Certificate**. This Disclosure Certificate is being delivered by the District for the benefit of the holders and beneficial owners of the Bonds, and to assist the Participating Underwriter, as defined below, in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. **Definitions**. In addition to the definitions set forth in the Paying Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report means any report provided by the District pursuant to, and as described in, Sections 3 (Provision of Annual Reports) and 4 (Content of Annual Reports) of this Disclosure Certificate.

Beneficial Owner means any person who (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

Bondholders means either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any Beneficial Owner or applicable participant in its depository system.

Dissemination Agent means Government Financial Services Joint Powers Authority, or any successor Dissemination Agent.

EMMA or Electronic Municipal Market Access means the centralized online repository for documents filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

Financial Obligation means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Listed Events means any of the events listed in Section 5(a) (Reporting of Significant Events – Significant Events) of this Disclosure Certificate.

MSRB means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information, which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

Official Statement means the final Official Statement dated [SALE DATE], relating to the Bonds.

Opinion of Bond Counsel means a written opinion of a law firm or attorney experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes.

Participating Underwriter means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Repository means MSRB or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

Rule means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

State means the State of California.

Section 3. Provision of Annual Reports.

a. Delivery of Annual Report to Repository. The District shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of each fiscal year, commencing with the report for the 2023-2024 Fiscal Year, due March 31, 2025, provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 (Content of Annual Reports) of this Disclosure Certificate. The Annual Report may be submitted as a single document or as a package of separate documents and may include by cross-reference other information as provided in Section 4 (Content of Annual Reports) of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

If the District does not provide, or cause the Dissemination Agent to provide, an Annual Report by the date required above, the Dissemination Agent shall provide to the MSRB, in an electronic format as prescribed by the MSRB, a timely notice in substantially the form attached as Exhibit A.

b. The Dissemination Agent shall:

(1) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(2) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

a. Financial Statements. Audited financial statements prepared in accordance with the generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

b. Other Financial Information and Operating Data. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(1) Adopted budget of the District for the then current fiscal year, or a summary thereof;

(2) Average daily attendance of the District for the last completed fiscal year;

(3) Outstanding District indebtedness, including a separate statement of debt for School Facilities Improvement District No. 1, for the last completed fiscal year;

(4) Assessed valuation for real property located within School Facilities Improvement District No. 1 for the then current fiscal year; and

(5) In the event the County of Sacramento and/or the County of Solano discontinue the Teeter Plan with respect to the taxes levied for debt service for Bonds, information regarding total secured tax charges and delinquencies on taxable properties within School Facilities Improvement District No. 1, if and to the extent provided to the District by the County of Sacramento and/or the County of Solano.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities that have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a. Significant Events. Pursuant to the provisions of this Section, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
(7) modifications to rights of Bondholders, if material;
(8) Bond calls, if material;
(9) tender offers;
(10) defeasances;
(11) release, substitution, or sale of property securing repayment of the Bonds, if material;
(12) rating changes;
(13) bankruptcy, insolvency, receivership or similar event of the District;
(14) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the District, or entry into or termination of a definitive agreement relating to the foregoing, if material;
(15) appointment of a successor or additional trustee or paying agent, or the change of name of the trustee or paying agent, if material;

(16) incurrence of a Financial Obligation of the District, if material, or agreement to covenant, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondholders, if material;

(17) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

b. Determination of Materiality. Whenever the District obtains knowledge of one of the foregoing events notice of which must be given only if material, the District shall immediately determine if such event would be material under applicable federal securities laws.

c. Notice to Dissemination Agent. If the District has determined an occurrence of a Listed Event under applicable federal securities laws, the District shall promptly notify the Dissemination Agent (if other than the District) in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) (Notice of Listed Events).

d. Notice of Listed Events. The District shall file, or cause the Dissemination Agent to file, with the MSRB, in an electronic format prescribed by the MSRB, a notice of the occurrence of a Listed Event to provide notice of specified events in a timely manner not in excess of ten (10) business days after the event's occurrence. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) (Bond calls) need not be given under this subsection any earlier than the notice (if any) given to Bondholders of affected Bonds pursuant to the Paying Agent Agreement.

Section 6. Identifying Information for Filings with MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be filed in a readable PDF or other electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(d) (Notice of Listed Events).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate. The Dissemination Agent shall be designated in writing by the District and shall file with the District a written acceptance of such designation. The District may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a. if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

b. the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c. the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Paying Agent Agreement for amendments to the Paying Agent Agreement with the consent of holders, or (ii) does not, in the opinion of a nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(d).

Section 10. **Additional Information**. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. **Default**. If the District fails to comply with any provision of this Disclosure Certificate, any Bondholder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this

Disclosure Certificate shall not be deemed an Event of Default under the Paying Agent Agreement, and the sole remedy under this Disclosure Certificate if the District fails to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. **Duties, Immunities and Liabilities of Dissemination Agent**. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders, or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. **Beneficiaries**. This Disclosure Certificate shall inure solely to the benefit of the District, the Paying Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

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

RIVER DELTA UNIFIED SCHOOL DISTRICT

By: ______________________________________
Katherine Wright, Superintendent

EXHIBIT A

FORM OF NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District:	River Delta Unified School District
Name of Bonds:	GENERAL OBLIGATION BONDS OF SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1 OF THE RIVER DELTA UNIFIED SCHOOL DISTRICT ELECTION OF 2020, SERIES 2024
Date of Delivery:	[CLOSING DATE]

NOTICE IS HEREBY GIVEN that the River Delta Unified School District (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by a Continuing Disclosure Certificate executed [CLOSING DATE], with respect to the above-captioned bond issue. The District anticipates that the Annual Report will be filed by ___________.

Dated: ____________________

RIVER DELTA UNIFIED SCHOOL DISTRICT

[SAMPLE ONLY]

APPENDIX F
BOOK-ENTRY-ONLY SYSTEM

The information in this Appendix has been provided by the Depository Trust Company ("DTC") for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants, or Indirect Participants will distribute to the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants, or DTC Indirect Participants will act in the manner described in this Official Statement.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of the Bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this appendix concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX G
SACRAMENTO COUNTY INVESTMENT RESULTS AND INVESTMENT POLICY

This Appendix provides a general description of the County Investment Policy and current portfolio holdings. The information set forth under this Appendix relating to the Sacramento County Pooled Investment Fund has been obtained from the Sacramento County Department of Finance and is believed to be reliable but is not guaranteed as to accuracy or completeness. The School District makes no representation as to the accuracy or completeness of such information. Further information may be obtained by contacting the Sacramento County, Department of Finance, 700 H Street, Suite 1710, Sacramento, California 95814, telephone (916) 874-6744.

The Sacramento County Director of Finance (the "Director of Finance") manages the Sacramento County Pooled Investment Fund (the "County Pool") in which certain funds of Sacramento County and certain funds of other participating entities are pooled and invested pending disbursement. General participants are those government agencies within Sacramento County, including the School District, for which the Director of Finance is statutorily designated as the custodian of such funds. The Director of Finance is the *ex officio* treasurer of each of these participating entities, and such entities are legally required to deposit their cash receipts and revenues in the Sacramento County Treasury. Under State law, withdrawals are allowed only to pay for expenses that have become due. The governing board of each school district and special district within Sacramento County may allow, by appropriate board resolution, certain withdrawals of non-operating funds for purposes of investing outside the Sacramento County Treasury. Some districts have from time to time authorized the Director of Finance to purchase specified investments for certain district funds to mature on predetermined future dates when cash would be required for disbursements. Other local agencies, such as special districts and cities for which the Director of Finance is not the statutorily designated fund custodian, may participate in the County Pool. Such participation is subject to the consent of the Director of Finance and must be in accordance with State law.

Funds held in the County Pool are invested by the Director of Finance in accordance with State law and the Sacramento County Investment Policy (the "Investment Policy"), which is prepared by the Director of Finance and approved by the Sacramento County Board of Supervisors. A copy of the Investment Policy is included herein. The Investment Policy sets forth the investment objectives, in order of priority, safety of principal, liquidity, public trust, and maximum rate of return. In addition, the Investment Policy describes the instruments eligible for inclusion in the County Pool and the limitations applicable to each type. The performance of the County Pool is monitored quarterly. A Sacramento County Treasury Oversight Committee reviews, on an annual basis, the Investment Policy, monitors the County Pool's compliance with State law and the Investment Policy, and causes an audit to be conducted on the County Pool. The Director of Finance neither monitors investments for arbitrage compliance, nor does it perform arbitrage calculations. The School District will maintain or cause to be maintained detailed records with respect to the applicable proceeds of the general obligation bonds of SFID No. 1.

A copy of the Monthly Pooled Investment Fund Review for February 2024 is included herein and can be found on the Sacramento County website, along with the Investment Policy, at https://finance.saccounty.gov/Investments/Pages/default.aspx.

Neither the School District nor the Underwriter has made an independent investigation of the investments in the County Pool and has made no assessment of the current Investment Policy. The value of the various investments in the County 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 Director of Finance, upon the approval by the Sacramento County Board of Supervisors, may change the Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the County Pool will not vary significantly from the values described therein.

Department of Finance

CHAD RINDE, DIRECTOR OF FINANCE

POOLED INVESTMENT FUND

Monthly Review — February 2024

PORTFOLIO COMPLIANCE

Based on the Director of Finance Review Group Month-End Report, the entire portfolio was in ***full compliance*** with the Sacramento County Annual Investment Policy for the Pooled Investment Fund for Calendar Year 2024 and California Government Code.[1]

PORTFOLIO STATISTICS

Portfolio's Month-End Balance	$7,033,925,577
Earned Income Yield for the Month	***4.867%***
Weighted Average Maturity (Days)	298
Estimated Duration (Years)	0.738
Amortized Book Value	$7,031,866,274
Month-End Market Value	$7,001,929,266
Percent of Market to Book Value[2]	99.57%

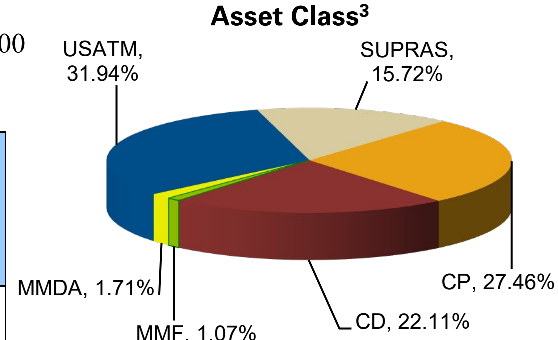
External third party Investment Manager(s) at month end:

Local Agency Investment Fund (LAIF)	$75,000,000

Investment Objectives

- ***Safety of Principal***
- ***Liquidity***
- ***Public Trust***
- ***Maximum Rate of Return***

Percentage Portfolio Structure by Asset Class[3]



PORTFOLIO STRUCTURE[3]

Investment Description	Portfolio at Cost	Yield at Month End
US Agency, Treasury & Municipal Notes (USATM):		
US Agency Notes	*30.75%*	**4.454%**
US Treasury Notes	*0.75%*	**0.565%**
Municipal Notes	*0.44%*	**4.713%**
Total USATM	31.94%	**4.367%**
Supranationals (SUPRAS)	15.72%	**3.038%**
Commercial Paper (CP)	27.46%	**5.657%**
Certificates of Deposit (CD)	22.11%	**5.468%**
LAIF/Money Market Funds (MMF)	1.07%	**4.122%**
Bank Money Market (MMDA)	1.71%	**4.267%**
Repurchase Agreements (REPO)	0.00%	**0.000%**

US Agency Notes Breakdown Percent of Portfolio at Cost[3]	
FFCB Notes/Discount Notes	7.29%
FHLB Notes/Discount Notes	21.06%
FNMA Notes/Discount Notes	1.41%
FHLMC Notes/Discount Notes	0.99%
Total US Agency Notes	**30.75%**

[1] This monthly review complies with all of the elements required by California Government Code §53646(b), with the exception of a detailed listing of each investment. A complete copy of the *Quarterly Pooled Investment Fund Report*, including a detailed listing of each investment, is available on the Department of Finance, Investment Division Web page at https://finance.saccounty.gov/Investments/Pages/RptQuartly.aspx.

[2] Percent of market to book value is calculated using amortized book value. The GASB 31 fair value reported in the County's Annual Financial Report is calculated using the book value at purchase.

[3] Percentages may not add up to totals due to rounding

YIELD HISTORY

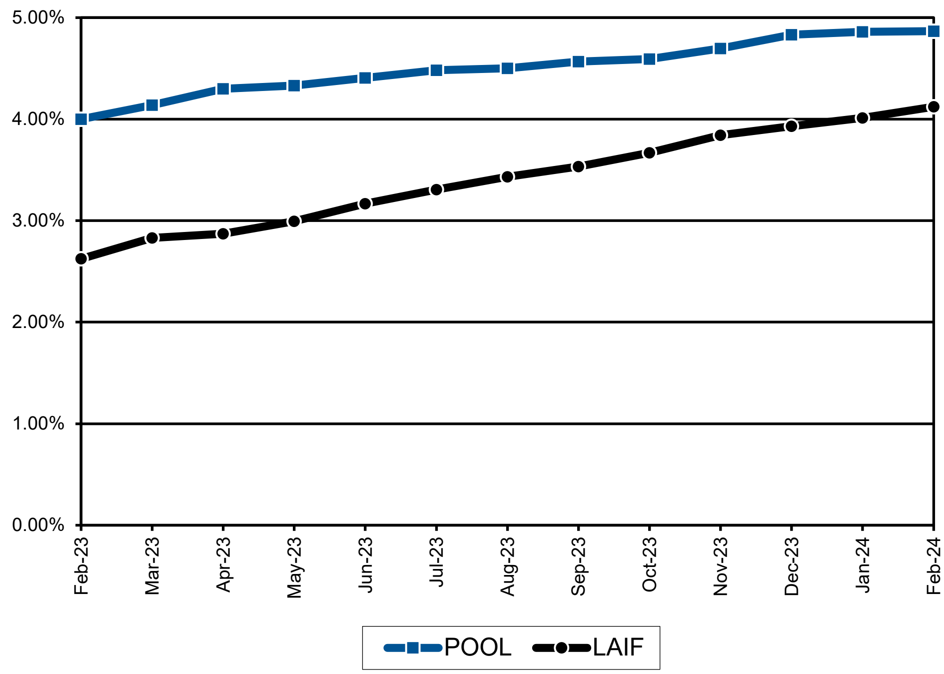
The earned income yield history represents gross yields; **costs have not been deducted**. The investment management costs in prior years and this year continue to be approximately 6 basis points or 0.06%. The quarterly apportionment of earnings to participating funds will be made on a **cash basis** (as opposed to an accrual basis) for the first three quarters of the fiscal year. Earnings to participating funds will be annualized over the fiscal year based on a fund's cumulative average daily cash balance at each quarter end and fiscal year end. At fiscal year end (fourth quarter), the earnings of the pool will be converted to an accrual basis for the fourth quarter earnings' allocation.

YIELD TRENDS[4]

Earned Income Yield History

MONTH	POOL	LAIF
Feb-23	4.00%	2.62%
Mar-23	4.14%	2.83%
Apr-23	4.30%	2.87%
May-23	4.33%	2.99%
Jun-23	4.41%	3.17%
Jul-23	4.48%	3.31%
Aug-23	4.50%	3.43%
Sep-23	4.57%	3.53%
Oct-23	4.59%	3.67%
Nov-23	4.69%	3.84%
Dec-23	4.83%	3.93%
Jan-24	4.86%	4.01%
Feb-24	4.87%	4.12%

Earned Income Yield Over Last 12 Months



CASH FLOW PROJECTION

The Pooled Investment Fund cash requirements are based on a 14-month historical cash flow model. The model has been adjusted for expected non-reoccurring participant liquidity needs. This projection, updated on March 18, 2024, is sufficient to meet cash flow expenditures for the next six months.

Month	Beginning Bank Balance	Maturities & Interest	Receipts	Disbursements	Difference	Less Investments Beyond 1 Year	Funds Available to Invest for Future Cash Flow Needs[5]
Dollar amounts represented in millions							
Mar	20.0	$653.3	$1,134.5	$1,056.7	$731.1	$40.0	$691.1
Apr	20.0	$390.7	$1,658.4	$1,161.0	$888.1	$40.0	$848.1
May	20.0	$1,009.4	$865.6	$1,312.1	$562.9	$40.0	$522.9
Jun	20.0	$729.0	$1,035.2	$954.0	$810.2	$40.0	$770.2
Jul	20.0	$1,389.8	$794.5	$1,469.6	$714.7	$40.0	$674.7
Aug	20.0	$1,024.5	$905.7	$1,315.6	$614.6	$40.0	$574.6

If you have any questions about the Pooled Investment Fund, please call Chief Investment Officer Bernard Santo Domingo at (916) 874-7320 or Investment Officer Dave Matuskey at (916) 874-4251.

[4] The earned income yield is the total net earnings divided by the average daily portfolio balance multiplied by 365 and then divided by the actual number of days in the month. The reported yield fluctuates based upon the number of days in the month, thus resulting in the anomaly of higher yields being reported for months with fewer days. February's yield is a prime example of such an anomaly.

[5] Any excess net cash flow amounts in this column will be used to fund the negative cash flow positions in later months.

SACRAMENTO COUNTY

Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR 2024

Approved by the
Sacramento County Board of Supervisors

December 5, 2023
Resolution No. 2023-0979

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SACRAMENTO COUNTY

Annual Investment Policy

of the Pooled Investment Fund

CALENDAR YEAR 2024

I. Authority

Under the Sacramento County Charter, the Board of Supervisors established the position of Director of Finance and by ordinance will annually review and renew the Director of Finance's authority to invest and reinvest all the funds in the County Treasury.

II. Policy Statement

This Investment Policy (Policy) establishes cash management and investment guidelines for the Director of Finance, who is responsible for the stewardship of the Sacramento County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code and this Policy. All portfolio activities will be judged by the standards of the Policy and its investment objectives. Activities that violate its spirit and intent will be considered contrary to the Policy.

III. Standard of Care

The Director of Finance is the Trustee of the Pooled Investment Fund and therefore, a fiduciary subject to the prudent investor standard. The Director of Finance, employees involved in the investment process, and members of the Sacramento County Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activities that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California state law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Director of Finance shall act with care, skill, prudence, and diligence to meet the aims of the investment objectives listed in Section IV, Investment Objectives.

IV. Investment Objectives

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance.

A. Safety of Principal

The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

B. Liquidity

As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the Director of Finance to meet all operating requirements that may be reasonably anticipated in any depositor's fund.

C. Public Trust

In managing the Pooled Investment Fund, the Director of Finance and the authorized investment traders should avoid any transactions that might impair public confidence in Sacramento County and the participating local agencies. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

D. Maximum Rate of Return

As the fourth objective, the Pooled Investment Fund should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified herein. For comparative purposes, the State of California Local Agency Investment Fund (LAIF) will be used as a performance benchmark. The Pooled Investment Fund quarterly performance benchmark target has been set at or above LAIF's yield. This benchmark was chosen because LAIF's portfolio structure is similar to the Pooled Investment Fund.

V. Pooled Investment Fund Investors

The Pooled Investment Fund investors are comprised of Sacramento County, school and community college districts, districts directed by the Board of Supervisors, and independent special districts and joint powers authorities whose treasurer is the Director of Finance. Any local agencies not included in this category are subject to California Government Code section 53684 and are referred to as outside investors.

VI. Implementation

In order to provide direction to those responsible for management of the Pooled Investment Fund, the Director of Finance has established this Policy and will provide it to the Oversight Committee and render it to legislative bodies of local agencies that participate in the Pooled Investment Fund. In accordance with California Government Code section 53646, et seq., the Board of Supervisors shall review and approve this Policy annually at a public meeting.

This Policy provides a detailed description of investment parameters used to implement the investment process and includes the following: investable funds; authorized instruments; prohibited investments; credit requirements; maximum maturities and concentrations; repurchase agreements; Community Reinvestment Act Program; criteria and qualifications of broker/dealers and direct issuers; investment guidelines, management style and strategy; Approved Lists; and calculation of yield and costs.

VII. Internal Controls

The Director of Finance shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. To assist in implementation and internal controls, the Director of Finance has established an Investment Group and a Review Group.

The Investment Group, which is comprised of the Director of Finance and his/her designees, is responsible for maintenance of the investment guidelines and Approved Lists. These guidelines and lists can be altered daily, if needed, to adjust to the ever-changing financial markets. The guidelines can be more conservative or match the policy language. In no case can the guidelines override the Policy.

The Review Group, which is comprised of the Director of Finance and his/her designees, is responsible for the monthly review and appraisal of all the investments purchased by the Director of Finance and staff. This review includes bond proceeds, which are invested separately from the Pooled Investment Fund and are not governed by this Policy.

The Director of Finance shall establish a process for daily, monthly, quarterly, and annual review and monitoring of the Pooled Investment Fund activity. The following articles, in order of supremacy, govern the Pooled Investment Fund:

1. California Government Code
2. Annual Investment Policy
3. Current Investment Guidelines
4. Approved Lists (see page 9, Section IX.K)

The Director of Finance shall review the daily investment activity and corresponding bank balances.

Monthly, the Review Group shall review all investment activity and its compliance to the corresponding governing articles and investment objectives.

All securities purchased, with the exception of bank deposits, money market mutual funds, and LAIF, shall be delivered to the independent third-party custodian selected by the Director of Finance. This includes all collateral for repurchase agreements. All trades, where applicable, will be executed by delivery versus payment by the designated third-party custodian.

VIII. Sacramento County Treasury Oversight Committee

In accordance with California Government Code section 27130 et seq., the Board of Supervisors, in consultation with the Director of Finance, has created the Sacramento County Treasury Oversight Committee (Oversight Committee). Annually, the Oversight Committee shall cause an audit to be conducted on the Pooled Investment Fund. The meetings of the Oversight Committee shall be open to the public and subject to the Ralph M. Brown Act.

A member of the Oversight Committee may not be employed by an entity that has contributed to the campaign of a candidate for the office of local treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the Oversight Committee. A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the Sacramento County Board of Supervisors or governing board of any local agency that has deposited funds in the county treasury while a member of the Oversight Committee. Finally, a member may not secure employment with, or be employed by bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the Oversight Committee or for one year after leaving the committee.

The Oversight Committee is not allowed to direct individual investment decisions, select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the Department of Finance treasury and investment operations.

IX. Investment Parameters

A. Investable Funds

Total Investable Funds (TIF) for purposes of this Policy are all Pooled Investment Fund moneys that are available for investment at any one time, including the estimated bank account float. Included in TIF are funds of outside investors, if applicable, for which the Director of Finance provides investment services. Excluded from TIF are all funds held in separate portfolios.

The Cash Flow Horizon is the period in which the Pooled Investment Fund cash flow can be reasonably forecasted. This Policy establishes the Cash Flow Horizon to be one (1) year.

Once the Director of Finance has deemed that the cash flow forecast can be met, the Director of Finance may invest funds in securities with maturities beyond one year. These securities will be referred to as the Core Portfolio.

B. Authorized Investments

Authorized investments shall match the general categories established by the California Government Code sections 53601 et seq. and 53635 et seq. Authorized investments shall include, in accordance with California Government Code section 16429.1, investments into LAIF. Authorization for specific instruments within these general categories, as well as narrower portfolio concentration and maturity limits, will be established and maintained by the Investment Group as part of the Investment Guidelines. As the California Government Code is amended, this Policy shall likewise become amended.

C. Prohibited Investments

No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity except for securities issued by, or backed by, the United States government during a period of negative market interest rates. Prohibited investments shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are any component companies in the Dow Jones U.S. Tobacco Index or the NYSE Arca Tobacco Index.

D. Credit Requirements

Except for municipal obligations and Community Reinvestment Act (CRA) bank deposits and certificates of deposit, the issuer's short-term credit ratings shall be at or above A-1 by Standard & Poor’s, P-1 by Moody's, and, if available, F1 by Fitch, and the issuer’s long-term credit ratings shall be at or above A by Standard & Poor’s, A2 by Moody's, and, if available, A by Fitch. There are no credit requirements for Registered State Warrants. All other municipal obligations shall be at or above a short-term rating of SP-1 by Standard & Poor’s, MIG1 by Moody’s, and, if available, F1 by Fitch.

Community Reinvestment Act Program Credit Requirements

Maximum Amount	Minimum Requirements
Up to the FDIC- or NCUSIF-insured limit for the term of the deposit	**Banks** — FDIC Insurance Coverage **Credit Unions** — NCUSIF Insurance Coverage *Credit unions are limited to a maximum deposit of the NCUSIF-insured limit since they are not rated by nationally recognized rating agencies and are not required to provide collateral on public deposits.*
Over the FDIC- or NCUSIF-insured limit	*(Any 2 of 3 ratings)* S&P: A-2 Moody’s: P-2 Fitch: F-2 Collateral is required ***OR*** Through a private sector entity that assists in the placement of deposits to achieve FDIC insurance coverage of the full deposit and accrued interest.

Eligible banks must have Community Reinvestment Act performance ratings of "satisfactory" or "outstanding" from their federal regulator. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must either have a letter of credit issued by the Federal Home Loan Bank of San Francisco or place securities worth between 110% and 150% of the value of the deposit with the Federal Reserve Bank of San Francisco, the Home Loan Bank of San Francisco, or a trust bank.

Since credit unions do not have Community Reinvestment Act performance ratings, they must demonstrate a commitment to community reinvestment lending and charitable activities comparable to what is required of banks.

All commercial paper and medium-term note issues must be issued by corporations operating within the United States and having total assets in excess of one billion dollars ($1,000,000,000).

The Investment Group may raise these credit standards as part of the Investment Guidelines and Approved Lists. Appendix A provides a Comparison and Interpretation of Credit Ratings by Standard & Poor's, Moody's, and Fitch.

E. Maximum Maturities

Due to the nature of the invested funds, no investment with limited market liquidity should be used. Appropriate amounts of highly-liquid investments, such as U.S. Treasury and Agency obligations, should be maintained to accommodate unforeseen withdrawals.

The maximum maturity, determined as the term from the date of ownership to the date of maturity, for each investment shall be established as follows:

U.S. Treasury and Agency Obligations	5 years
Washington Supranational Obligations[1]	5 years
Municipal Notes	5 years
Registered State Warrants	5 years
Bankers Acceptances	180 days
Commercial Paper	270 days
Negotiable Certificates of Deposit	270 days
CRA Bank Deposit/Certificates of Deposit	1 year
Repurchase Agreements	1 year
Reverse Repurchase Agreements	92 days
Medium-Term Corporate Notes	180 days
Collateralized Mortgage Obligations	180 days

[1] The International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank.

The Investment Group may reduce these maturity limits to a shorter term as part of the Investment Guidelines and the Approved Lists.

The ultimate maximum maturity of any investment shall be five (5) years. The dollar-weighted average maturity of all securities shall be equal to or less than three (3) years.

F. Maximum Concentrations

No more than 80% of the portfolio may be invested in issues other than U.S. Treasury and Agency obligations. The maximum allowable percentage for each type of security is set forth as follows:

U.S. Treasury and Agency Obligations	100%
Municipal Notes	80%
Registered State Warrants	80%
Bankers Acceptances	40%
Commercial Paper	40%
Washington Supranational Obligations	30%
Negotiable Certificates of Deposit and CRA Deposit/Certificates of Deposit	30%
Repurchase Agreements	30%
Reverse Repurchase Agreements	20%
Medium-Term Corporate Notes	30%
Money Market Mutual Funds	20%
Collateralized Mortgage Obligations	20%
Local Agency Investment Fund (LAIF)	(per State limit)

The Investment Group may reduce these concentrations as part of the Investment Guidelines and the Approved Lists.

Excluding U.S. Treasury and Agency obligations, no more than 10% of the portfolio, may be invested in securities of a single issuer including its related entities.

Where a percentage limitation is established above, for the purpose of determining investment compliance, that maximum percentage will be applied on the date of purchase.

G. Repurchase Agreements

Under California Government Code section 53601, paragraph (j) and section 53635, the Director of Finance may enter into Repurchase Agreements and Reverse Repurchase Agreements. The maximum maturity of a Repurchase Agreement shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of a reverse repurchase agreement may not be invested beyond the expiration of the agreement. The reverse repurchase agreement must be "matched to maturity" and meet all other requirements in the code.

All repurchase agreements must have an executed Sacramento County Master Repurchase Agreement on file with both the Director of Finance and the Broker/Dealer. Repurchase Agreements executed with approved broker-dealers must be collateralized with either: (1) U.S. Treasury and Agency obligations with a market value of 102% for collateral marked to market daily; or (2) money market instruments on the Approved Lists of the County that meet the qualifications of the Policy, with a market value of 102%. Since the market value of the underlying securities is subject to daily market fluctuations, investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. Use of mortgage-backed securities for collateral is not permitted. Strictly for purposes of investing the daily excess bank balance, the collateral provided by the Sacramento County's depository bank can be U.S. Treasury and Agency obligations valued at 110%, or mortgage-backed securities valued at 150%.

H. Community Reinvestment Act Program

The Director of Finance has allocated within the Pooled Investment Fund, a maximum of $90 million for the Community Reinvestment Act Program to encourage community investment by financial institutions, which includes community banks and credit unions, and to acknowledge and reward local financial institutions that support the community's financial needs. The Director of Finance may increase this amount, as appropriate, while staying within the investment policy objectives and maximum maturity and concentration limits. The eligible banks and savings banks must have Community Reinvestment Act performance ratings of “satisfactory” or “outstanding” from each financial institution’s regulatory authority. The minimum credit requirements are located on page 5 of Section IX.D.

I. Criteria and Qualifications of Brokers/Dealers and Direct Issuers

All transactions initiated on behalf of the Pooled Investment Fund and Sacramento County shall be executed through either government security dealers reporting as primary dealers to the Market Reports Division of the Federal Reserve Bank of New York or direct issuers that directly issue their own securities that have been placed on the Approved List of brokers/dealers and direct issuers. Further, these firms must have an investment grade rating from at least two national rating services, if available.

Brokers/Dealers and direct issuers that have exceeded the political contribution limits, as contained in Rule G-37 of the Municipal Securities Rulemaking Board, within the preceding four-year period to the Director of Finance, any member of the Board of Supervisors, or any candidate for the Board of Supervisors, are prohibited from the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm must acknowledge receipt of such materials to qualify for the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer authorized to do business with Sacramento County shall, at least annually, supply the Director of Finance with audited financial statements.

J. Investment Guidelines, Management Style and Strategy

The Investment Group shall issue and maintain Investment Guidelines specifying authorized investments, credit requirements, permitted transactions, and issue maturity and concentration limits consistent with this Policy.

The Investment Group shall also issue a statement describing the investment management style and current strategy for the entire investment program. The management style and strategy can be changed to accommodate shifts in the financial markets, but at all times they must be consistent with this Policy and its objectives.

K. Approved Lists

The Investment Group, named by the Director of Finance, shall issue and maintain various Approved Lists. These lists are:

1. Approved Domestic Banks for all legal investments.
2. Approved Foreign Banks for all legal investments.
3. Approved Commercial Paper and Medium Term Note Issuers.
4. Approved Money Market Mutual Funds.
5. Approved Firms for Purchase or Sale of Securities (Brokers/Dealers and Direct Issuers).
6. Approved Banks / Credit Unions for the Community Reinvestment Act Program.

L. Calculation of Yield and Costs

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets; managing and accounting for the banking; receiving and remitting deposits; oversight controls; and indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated by specific cost accounting projects and charged to the Pooled Investment Fund on a quarterly basis throughout the fiscal year.

The Department of Finance will allocate the net interest earnings of the Pooled Investment Fund quarterly. The net interest earnings are allocated based upon the average daily cash balance of each Pooled Investment Fund participant.

X. Reviewing, Monitoring and Reporting of the Portfolio

The Review Group will prepare and present to the Director of Finance at least monthly a comprehensive review and evaluation of the transactions, positions, performance of the Pooled Investment Fund and compliance to the California Government Code, Policy, and Investment Guidelines.

Quarterly, the Director of Finance will provide to the Board of Supervisors, the Oversight Committee, and to any local agency participant that requests a copy, a detailed report on the Pooled Investment Fund. The report will also be posted on the Department of Finance website. Pursuant to California Government Code section 53646, the report will list the type of investments, name of issuer, maturity date, par and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value, and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Policy and a statement of the Pooled Investment Fund's ability to meet the expected expenditure requirements for the next six months.

XI. Withdrawal Requests for Pooled Fund Investors

The Director of Finance will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Director of Finance at a one dollar net asset value. Any requests to withdraw funds for purposes other than immediate cash flow needs, such as for external investing, are subject to the consent of the Director of Finance. In accordance with California Government Code Sections 27133(h) and 27136, such requests for withdrawals must first be made in writing to the Director of Finance. When evaluating a request to withdraw funds, the Director of Finance will take into account the effect of a withdrawal on the stability and predictability of the Pooled Investment Fund and the interests of other depositors. Any withdrawal for such purposes will be at the market value of the Pooled Investment Fund on the date of the withdrawal.

XII. Limits on Honoraria, Gifts, and Gratuities

In accordance with California Government Code Section 27133(d), this Policy establishes limits for the Director of Finance; individuals responsible for management of the portfolios; and members of the Investment Group and Review Group who direct individual investment decisions, select individual investment advisors and broker/dealers, and conduct day-to-day investment trading activity. The limits also apply to members of the Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of $50 in a calendar year from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms.

No individual may receive aggregate gifts, honoraria, and gratuities from any single source in a calendar year in excess of the amount specified in Section 18940.2(a) of Title 2, Division 6 of the California Code of Regulations. This limitation is $590 for the period January 1, 2023, to December 31, 2024. Any violation must be reported to the State Fair Political Practices Commission.

XIII. Terms and Conditions for Outside Investors

Outside investors may invest in the Pooled Investment Fund through California Government Code Section 53684. Their deposits are subject to the consent of the Director of Finance. The legislative body of the local agency must approve the Sacramento County Pooled Investment Fund as an authorized investment and execute a Memorandum of Understanding. Any withdrawal of these deposits must be made in writing 30 days in advance and will be paid based upon the market value of the Pooled Investment Fund. If the Director of Finance considers it appropriate, the deposits may be returned at any time to the local agency.

Appendix A

Comparison and Interpretation of Credit Ratings

Long Term Debt & Individual Bank Ratings			
Rating Interpretation	**Moody's**	**S&P**	**Fitch**
Best-quality grade	Aaa	AAA	AAA
High-quality grade	Aa1 Aa2 Aa3	AA+ AA AA-	AA+ AA AA-
Upper Medium Grade	A1 A2 A3	A+ A A-	A+ A A-
Medium Grade	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-
Speculative Grade	Ba1 Ba2 Ba3	BB+ BB BB-	BB+ BB BB-
Low Grade	B1 B2 B3	B+ B B-	B+ B B-
Poor Grade to Default	Caa	CCC+	CCC
In Poor Standing	- -	CCC CCC-	- -
Highly Speculative Default	Ca C	CC -	CC -
Default	- - -	- - D	DDD DD D

Short Term / Municipal Note Investment Grade Ratings			
Rating Interpretation	**Moody's**	**S&P**	**Fitch**
Superior Capacity	MIG-1	SP-1+/SP-1	F1+/F1
Strong Capacity	MIG-2	SP-2	F2
Acceptable Capacity	MIG-3	SP-3	F3

Appendix A

Short Term / Commercial Paper Investment Grade Ratings			
Rating Interpretation	**Moody's**	**S&P**	**Fitch**
Superior Capacity	P-1	A-1+/A-1	F1+/F1
Strong Capacity	P-2	A-2	F2
Acceptable Capacity	P-3	A-3	F3