

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

\$3,800,000

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(Placer and Sacramento Counties, California)
2016 General Obligation Refunding Bonds, Series A**

\$5,872,855.80

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(Placer and Sacramento Counties, California)
2016 General Obligation Refunding Bonds, Series B
(School Facilities Improvement District No. 1)
(Placer County, California)**

Dated: Date of Delivery

Due: August 1, as shown on the inside cover

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page and not otherwise defined shall have the meanings set forth herein.

The Roseville Joint Union High School District (Placer and Sacramento Counties, California) 2016 General Obligation Refunding Bonds, Series A (the "Series A Refunding Bonds") are being issued by the Roseville Joint Union High School District (the "School District") to (i) advance refund a portion of the outstanding Roseville Joint Union High School District 2011 General Obligation Refunding Bonds and (ii) pay the costs associated with the issuance of the Series A Refunding Bonds.

The Series A Refunding Bonds are general obligations of the School District payable solely from *ad valorem* property taxes on all property subject to taxation within the School District. The Boards of Supervisors of Placer and Sacramento Counties are empowered and obligated to annually levy *ad valorem* property taxes on all such property, for the payment of the principal of and interest on the Series A Refunding Bonds, without limitation of rate or amount (except as to certain personal property which is taxable at limited rates).

The Roseville Joint Union High School District (Placer and Sacramento Counties, California) 2016 General Obligation Refunding Bonds, Series B (School Facilities Improvement District No. 1) (Placer County, California) (the "Series B Refunding Bonds" and, together with the Series A Refunding Bonds, the "Bonds") are being issued by the School District to (i) advance refund a portion of the outstanding School Facilities Improvement District No. 1 of the Roseville Joint Union High School District (Placer County, California) (the "Improvement District") Election of 2007 General Obligation Bonds, Series 2011A and (ii) pay the costs associated with the issuance of the Series B Refunding Bonds.

The Series B Refunding Bonds are general obligations of the School District payable solely from *ad valorem* property taxes on all property subject to taxation within the boundaries of the Improvement District. The Board of Supervisors of Placer County is empowered and obligated to annually levy *ad valorem* property taxes on all such property, for the payment of the principal and Accreted Value of and interest on the Series B Refunding Bonds, without limitation of rate or amount (except as to certain personal property which is taxable at limited rates).

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 (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds.

The Series A Refunding Bonds will be issued as current interest bonds (the "Current Interest Bonds") and the Series B Refunding Bonds will be issued as Current Interest Bonds and capital appreciation bonds (the "Capital Appreciation Bonds"). Interest on the Current Interest Bonds accrues from the date of initial delivery thereof, and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2017. Interest on the Capital Appreciation Bonds accretes from the date of initial delivery thereof, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 2017. The Current Interest Bonds are issuable as fully registered Bonds in denominations of \$5,000 principal amount, or any integral multiple thereof. The Capital Appreciation Bonds are issuable as fully registered Bonds in denominations of \$5,000 Maturity Value, or any integral multiple thereof.

Payments of principal and Accreted Value of and interest on the Bonds will be made by the Paying Agent, Bond Registrar and Transfer Agent (the "Paying Agent") to DTC for subsequent disbursement to DTC Participants (as defined herein) who will remit such payments to the Beneficial Owners of the Bonds. The Bank of New York Mellon Trust Company, N.A. has been appointed as Paying Agent for the Bonds. See "THE BONDS – Book Entry Only System" herein.

The Series A Refunding Bonds are not subject to redemption prior to their stated maturity dates. The Series B Refunding Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturity dates as described herein.

MATURITY SCHEDULES

(see inside front cover)

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel to the School District. Certain matters will be passed on for the Underwriter by Kutak Rock LLP, Denver, Colorado. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about October 5, 2016.

STIFEL

MATURITY SCHEDULE FOR SERIES A REFUNDING BONDS

Base CUSIP[†]: 777849

\$3,800,000

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(Placer and Sacramento Counties, California)
2016 General Obligation Refunding Bonds, Series A

\$3,800,000 Serial Bonds

| <u>Maturity</u> <u>(August 1)</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>Yield</u> | <u>CUSIP</u> [†] |
|--|---|--|---------------------|----------------------------------|
| 2017 | \$60,000 | 2.000% | 0.600% | PC8 |
| 2018 | 35,000 | 2.000 | 0.680 | PD6 |
| 2019 | 40,000 | 2.000 | 0.750 | PE4 |
| 2020 | 40,000 | 2.000 | 0.840 | PF1 |
| 2021 | 40,000 | 2.000 | 0.930 | PG9 |
| 2022 | 675,000 | 4.000 | 1.040 | PH7 |
| 2023 | 720,000 | 4.000 | 1.140 | PJ3 |
| 2024 | 770,000 | 4.000 | 1.230 | PK0 |
| 2025 | 825,000 | 4.000 | 1.310 | PL8 |
| 2026 | 595,000 | 4.000 | 1.400 | PM6 |

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Services. Neither the District nor the Underwriter are responsible for the selection or correctness of the CUSIP numbers set forth herein.

MATURITY SCHEDULE FOR SERIES B REFUNDING BONDS

Base CUSIP[†]: 777849

\$5,872,855.80

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(Placer and Sacramento Counties, California)
2016 General Obligation Refunding Bonds, Series B
(School Facilities Improvement District No. 1)
(Placer County, California)

\$2,275,000 Current Interest Serial Bonds

| <u>Maturity (August 1)</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP[†]</u> |
|--------------------------------|-----------------------------|--------------------------|----------------------|--------------------------|
| 2017 | \$75,000 | 2.000% | 0.650% | PN4 |
| 2018 | 50,000 | 2.000 | 0.730 | PP9 |
| 2019 | 50,000 | 2.000 | 0.800 | PQ7 |
| 2020 | 50,000 | 2.000 | 0.890 | PR5 |
| 2021 | 55,000 | 2.000 | 0.980 | PS3 |
| 2022 | 55,000 | 2.000 | 1.110 | PT1 |
| 2023 | 190,000 | 3.000 | 1.220 | PU8 |
| 2024 | 215,000 | 3.000 | 1.340 | PV6 |
| 2025 | 245,000 | 3.000 | 1.420 | PW4 |
| 2026 | 275,000 | 3.000 | 1.530 | PX2 |
| 2027 | 305,000 | 3.000 | 1.880 ⁽¹⁾ | PY0 |
| 2028 | 340,000 | 2.000 | 2.190 | PZ7 |
| 2029 | 370,000 | 2.125 | 2.320 | QA1 |

\$2,155,000 – 4.000% Current Interest Term Bonds due August 1, 2038 – Yield 2.550%⁽¹⁾; CUSIP[†]: QB9

\$1,442,855.80 Capital Appreciation Serial Bonds

| <u>Maturity (August 1)</u> | <u>Denominational Amount</u> | <u>Accretion Rate</u> | <u>Yield to Maturity</u> | <u>Maturity Value</u> | <u>CUSIP[†]</u> |
|--------------------------------|----------------------------------|---------------------------|------------------------------|---------------------------|--------------------------|
| 2030 | \$271,661.90 | 3.000% | 3.000% | \$410,000 | QC7 |
| 2031 | 280,108.40 | 3.070 | 3.070 | 440,000 | QD5 |
| 2032 | 287,978.40 | 3.120 | 3.120 | 470,000 | QE3 |
| 2033 | 297,515.70 | 3.170 | 3.170 | 505,000 | QF0 |
| 2034 | 305,591.40 | 3.220 | 3.220 | 540,000 | QG8 |

⁽¹⁾ Yield to call at par on August 1, 2026.

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Services. Neither the District nor the Underwriter are responsible for the selection or correctness of the CUSIP numbers set forth herein.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

Board of Trustees

Paige K. Stauss, *President*
Scott E. Huber, *Vice President*
R. Jan Pinney, *Clerk*
Rene Aguilera, *Member*
Linda M. Park, *Member*

District Administration

Ron Severson, *Superintendent*
Joe Landon, *Assistant Superintendent, Business Services*
Steve Williams, *Assistant Superintendent, Personnel Services*
Jess Borjon, *Assistant Superintendent, Curriculum*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

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

Financial Advisor

Keygent LLC
El Segundo, California

Paying Agent and Escrow Agent

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

Escrow Verification

Causey Demgen & Moore P.C.
Denver, Colorado

TABLE OF CONTENTS

Page

INTRODUCTION 1

 CHANGES SINCE DATE OF PRELIMINARY OFFICIAL STATEMENT 1

 THE SCHOOL DISTRICT 1

 THE IMPROVEMENT DISTRICT 2

 PURPOSE OF THE BONDS 2

 SECURITY AND SOURCES OF PAYMENT FOR THE BONDS 2

 DESCRIPTION OF THE BONDS..... 3

 TAX MATTERS 4

 AUTHORITY FOR ISSUANCE OF THE BONDS 4

 OFFERING AND DELIVERY OF THE BONDS 4

 BONDDOWNER’S RISKS 4

 CONTINUING DISCLOSURE 4

 FORWARD-LOOKING STATEMENTS 5

 PROFESSIONALS INVOLVED IN THE OFFERING..... 5

 OTHER INFORMATION 5

THE BONDS 6

 AUTHORITY FOR ISSUANCE 6

 SECURITY AND SOURCES OF PAYMENT 6

 DESCRIPTION OF THE BONDS..... 8

 BOOK-ENTRY ONLY SYSTEM..... 9

 DISCONTINUATION OF BOOK-ENTRY ONLY SYSTEM; PAYMENT TO BENEFICIAL OWNERS 11

 REDEMPTION..... 12

 DEFEASANCE 14

 ANNUAL DEBT SERVICE..... 16

 REFUNDING PLAN 17

ESTIMATED SOURCES AND USES OF FUNDS 20

TAX BASE FOR REPAYMENT OF BONDS 21

AD VALOREM PROPERTY TAXATION 21

 ASSESSED VALUATION OF THE SCHOOL DISTRICT 23

 ASSESSED VALUATION WITHIN THE BOUNDARIES OF THE IMPROVEMENT DISTRICT 26

 TAX LEVIES, COLLECTIONS AND DELINQUENCIES 30

 ALTERNATIVE METHOD OF TAX APPORTIONMENT – “TEETER PLAN” 31

 TAX RATES 32

 PRINCIPAL TAXPAYERS 33

 DISTRICT STATEMENT OF DIRECT AND OVERLAPPING DEBT 34

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING SCHOOL DISTRICT REVENUES AND APPROPRIATIONS..... 37

 ARTICLE XIII A OF THE CALIFORNIA CONSTITUTION 37

 LEGISLATION IMPLEMENTING ARTICLE XIII A..... 38

 UNITARY PROPERTY 38

 ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION 38

 ARTICLE XIII C AND ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION 39

 PROPOSITION 26..... 40

 PROPOSITIONS 98 AND 111..... 40

 PROPOSITION 39..... 42

 PROPOSITION 30..... 42

JARVIS V. CONNELL 43

 PROPOSITION 1A AND PROPOSITION 22..... 44

 PROPOSITION 2..... 44

 FUTURE INITIATIVES 46

 STATE BUDGET 46

TABLE OF CONTENTS (cont'd)

Page

| | |
|--|-----------|
| SCHOOL DISTRICT FINANCIAL INFORMATION..... | 48 |
| STATE FUNDING OF EDUCATION | 48 |
| STATE DISSOLUTION OF REDEVELOPMENT AGENCIES | 52 |
| ACCOUNTING PRACTICES..... | 53 |
| COMPARATIVE FINANCIAL STATEMENTS | 54 |
| BUDGET PROCESS | 55 |
| GENERAL FUND BUDGET | 56 |
| SCHOOL DISTRICT DEBT STRUCTURE | 58 |
| SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1..... | 61 |
| GENERAL DESCRIPTION | 61 |
| LOCATION AND TERRITORY | 62 |
| GOVERNING BOARD..... | 62 |
| ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT..... | 62 |
| INTRODUCTION | 62 |
| ADMINISTRATION..... | 62 |
| ENROLLMENT TRENDS | 64 |
| CHARTER SCHOOL | 64 |
| LABOR RELATIONS | 65 |
| DISTRICT RETIREMENT SYSTEMS..... | 65 |
| OTHER POST-EMPLOYMENT BENEFITS..... | 70 |
| RISK MANAGEMENT | 71 |
| TAX MATTERS | 71 |
| LEGAL MATTERS | 73 |
| CONTINUING DISCLOSURE | 73 |
| LEGALITY FOR INVESTMENT IN CALIFORNIA | 74 |
| ABSENCE OF MATERIAL LITIGATION | 74 |
| INFORMATION REPORTING REQUIREMENTS | 74 |
| LEGAL OPINIONS..... | 75 |
| VERIFICATION..... | 75 |
| FINANCIAL STATEMENTS | 75 |
| RATINGS..... | 75 |
| UNDERWRITING | 76 |
| ADDITIONAL INFORMATION..... | 77 |
| APPENDIX A: FORMS OF OPINIONS OF BOND COUNSEL | A-1 |
| APPENDIX B: THE 2014-15 AUDITED FINANCIAL STATEMENTS OF THE SCHOOL DISTRICT | B-1 |
| APPENDIX C: FORM OF CONTINUING DISCLOSURE CERTIFICATE | C-1 |
| APPENDIX D: ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF ROSEVILLE AND PLACER COUNTY | D-1 |
| APPENDIX E: PLACER COUNTY INVESTMENT POOL..... | E-1 |
| APPENDIX F: LOCATION MAP OF THE SCHOOL DISTRICT AND IMPROVEMENT DISTRICT..... | F-1 |
| APPENDIX G: TABLE OF ACCRETED VALUES | G-1 |

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

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

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

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

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this official statement pursuant to 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.”

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

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

The School District maintains a website. However, the information presented on such website is not part of this Official Statement, is not incorporated herein by any reference, and should not be relied upon in making an investment decision with respect to the Bonds.

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\$3,800,000

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(Placer and Sacramento Counties, California)
2016 General Obligation Refunding Bonds, Series A**

\$5,872,855.80

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
(Placer and Sacramento Counties, California)
2016 General Obligation Refunding Bonds, Series B
(School Facilities Improvement District No. 1)
(Placer County, California)**

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of (i) Roseville Joint Union High School District (Placer and Sacramento Counties, California) 2016 General Obligation Refunding Bonds, Series A (the “Series A Refunding Bonds”) and (ii) Roseville Joint Union High School District (Placer and Sacramento Counties, California) 2016 General Obligation Refunding Bonds, Series B (School Facilities Improvement District No. 1) (Placer County, California) (the “Series B Refunding Bonds”, and together with the Series A Refunding Bonds, the “Bonds”).

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page 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.

Changes Since Date of Preliminary Official Statement

On September 8, 2016, the Board of Trustees approved the District’s 2015-16 Unaudited Actuals. The information included in the Official Statement under the column entitled 2015-16 Unaudited Actuals under the caption “SCHOOL DISTRICT FINANCIAL INFORMATION- Budget Process – General Fund Budget”, have been revised accordingly.

The School District

The Roseville Joint Union High School District (the “School District”), located in California’s Sacramento Valley, serves the City of Roseville and certain unincorporated areas of Placer and Sacramento Counties (collectively, the “Counties”), and encompasses approximately 72 square miles. The School District currently has five comprehensive high schools for grades 9-12, a continuation school for students 16 years and older, one adult education school and an independent study program. The School District serves a population of approximately 169,832 residents and has a projected average daily attendance (“ADA”) for fiscal year 2016-17 of 9,750 students. The School District also operates an adult school which serves approximately 2,000 adults annually. For fiscal year 2015-16, the assessed valuation of taxable property within the School District is \$24,837,337,210.

The School District is governed by a five-member Board of Trustees (the “Board”), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The management and policies of the School District are administered by the Superintendent appointed by the Board, who is responsible for the day-to-day operations of the School District, as well as the supervision of the School District’s other personnel. Ron Severson currently serves as the School District’s Superintendent.

For more information about the School District generally, see “ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT” and “SCHOOL DISTRICT FINANCIAL INFORMATION” herein. For

more information regarding the School District's assessed valuation, see "TAX BASE FOR REPAYMENT OF BONDS" herein.

The Improvement District

The School Facilities Improvement District No. 1 of the Roseville Joint Union High School District (the "Improvement District") is located in the northwest portion of the School District, and includes portions of the City of Roseville and an adjacent unincorporated territory of Placer County (the "County"). The Improvement District encompasses approximately 11.8 square miles, representing approximately 16.4% of the territory of the School District. See "APPENDIX F – LOCATION MAP OF THE SCHOOL DISTRICT AND IMPROVEMENT DISTRICT" herein. For fiscal year 2016-17, the assessed valuation of taxable property within the boundaries of the Improvement District is \$1,626,591,188. The assessed valuation of the Improvement District accounts for approximately 5.5% of the total assessed valuation of taxable property in the School District based on the fiscal year 2015-16 assessed valuations.

For more information about the Improvement District generally, see "SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1" herein and APPENDIX F – "LOCATION MAP OF THE SCHOOL DISTRICT AND IMPROVEMENT DISTRICT" attached hereto. For more information regarding the Improvement District's assessed valuation, see "TAX BASE FOR REPAYMENT OF BONDS" herein.

Purpose of the Bonds

Series A Refunding Bonds. The Series A Refunding Bonds are being issued to (i) advance refund a portion of the School District's outstanding 2011 General Obligation Refunding Bonds (the "2011 Refunding Bonds") and (ii) pay the costs associated with the issuance of the Series A Refunding Bonds. See "THE BONDS – Refunding Plan – Series A Refunding Bonds" and "ESTIMATED SOURCES AND USES OF FUNDS – Series A Refunding Bonds" herein. The portions of the 2011 Refunding Bonds to be refunded with proceeds of the Series A Refunding Bonds are referred to herein as the "Refunded 2011 Refunding Bonds."

Series B Refunding Bonds. The Series B Refunding Bonds are being issued to (i) advance refund a portion of the outstanding School Facilities Improvement District No. 1 of the Roseville Joint Union High School District (County of Placer, California) Election of 2007 General Obligation Bonds, Series 2011A (the "Series 2011A Bonds") and (ii) pay the costs associated with the issuance of the Series B Refunding Bonds. See "THE BONDS – Refunding Plan – Series B Refunding Bonds" and "ESTIMATED SOURCES AND USES OF FUNDS – Series B Refunding Bonds" herein. The portions of the Series 2011A Bonds to be refunded with proceeds of the Series B Refunding Bonds are referred to herein as the "Refunded Series 2011A Bonds." The Refunded 2011 Refunding Bonds and Refunded Series 2011A Bonds are collectively referred to herein as the "Refunded Bonds."

Security and Sources of Payment for the Bonds

Series A Refunding Bonds. The Series A Refunding Bonds are general obligations of the School District payable solely from the proceeds of *ad valorem* property taxes on all property subject to taxation within the School District. The Boards of Supervisors of the Counties are empowered and obligated to annually levy *ad valorem* property taxes on all such property, without limitation as to rate or amount, for the payment of principal of and interest on the Series A Refunding Bonds when due (except for certain personal property which is taxable at limited rates). See "THE BONDS – Security and Sources of Payment – The Series A Refunding Bonds" herein.

Series B Refunding Bonds. The Series B Refunding Bonds are general obligations of the School District payable solely from *ad valorem* property taxes on all property subject to taxation within the boundaries of the Improvement District. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* property taxes on all such property, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates), for the payment of principal and Accreted Value (defined herein) of and interest on the Series B Refunding Bonds when due. See “THE BONDS – Security and Sources of Payment – The Series B Refunding Bonds” herein.

Description of the Bonds

Form, Registration and Denomination. The Bonds will be issued in fully registered form only (without coupons), initially 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 interests in the Bonds (the “Beneficial Owners”) through the book-entry only system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (defined herein). Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolutions (defined herein). See “THE BONDS – Discontinuation of Book-Entry Only System; Payment to Beneficial Owners” herein.

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

Current Interest Bonds. The Series A Refunding Bonds will be issued as current interest bonds (the “Current Interest Bonds”), such that interest accrues from their initial date of delivery and is payable semiannually on each February 1 and August 1 (each a “Bond Payment Date”), commencing February 1, 2017. Principal on the Current Interest Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof.

Individual purchases of interest in the Current Interest Bonds will be available in denominations of \$5,000 principal amount, or any integral multiple thereof.

Capital Appreciation Bonds. The Series B Refunding Bonds will be issued as capital appreciation bonds (the “Capital Appreciation Bonds”) and Current Interest Bonds. The Capital Appreciation Bonds will not bear interest on a periodic basis. The value at maturity of a Capital Appreciation Bond (the “Maturity Value”) is equal to its Accreted Value (as defined herein) upon the maturity thereof, such Accreted Value being composed of its initial principal amount (the “Denominational Amount”) and the interest accreting thereon between its initial date of delivery and its respective maturity date. Interest on the Capital Appreciation Bonds accretes from their initial date of delivery at the Accretion Rates (as defined herein) set forth in the table of accreted values as shown in “APPENDIX G – TABLE OF ACCRETED VALUES” attached hereto, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 2017. The Maturity Value of the Capital Appreciation Bonds (or Accreted Value if redeemed prior to maturity) is payable on August 1, in the amounts and years as set forth in “APPENDIX G – TABLE OF ACCRETED VALUES” attached hereto and on the inside front cover hereof.

Individual purchases of interests in the Capital Appreciation Bonds will be available in denominations of \$5,000 Maturity Value, or any integral multiple thereof.

Redemption. The Series A Refunding Bonds are not subject to redemption prior to their stated maturity dates. The Series B Refunding Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturity dates as described herein. See “THE BONDS – Redemption” herein.

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

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the State of California Government Code and other applicable law, and pursuant to resolutions adopted by the Board. See “THE BONDS – Authority for Issuance.”

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their validity by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about October 5, 2016.

Bondowner’s Risks

The Series A Refunding Bonds are general obligations of the School District payable solely from the proceeds of *ad valorem* taxes which may be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all property subject to taxation within the School District. The Series B Refunding Bonds are general obligations of the School District payable solely from *ad valorem* taxes which may be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all property subject to taxation within the Improvement District. For more complete information regarding the taxation of property within the School District and the Improvement District, see “TAX BASE FOR REPAYMENT OF BONDS” herein.

Continuing Disclosure

The School District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the School District and, with respect to the Series B Refunding Bonds, the Improvement District and to provide notices of the occurrence of certain listed events, in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the “Rule”). See “LEGAL MATTERS – Continuing Disclosure” herein. The specific nature of

the information to be made available and the notices of listed events required to be provided are described in APPENDIX C.

Forward-Looking Statements

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

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

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the School District with respect to the Bonds. Keygent LLC, El Segundo, California, is acting as Financial Advisor to the School District with respect to the Bonds. Stradling Yocca Carlson & Rauth and Keygent LLC will receive compensation from the School District contingent upon the sale and delivery of the Bonds. Certain matters will be passed on for the Underwriter by Kutak Rock LLP, Denver, Colorado. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will act as Escrow Agent (as defined herein) for the Refunded Bonds. Causey Demgen & Moore P.C., Denver, Colorado, is acting as verification agent for the Refunded Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Bonds are available from Roseville Joint Union High School District, 1750 Cirby Way, Roseville, California 95661, telephone: (916) 786-2051. The School District may impose a charge for copying, mailing and handling.

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

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion,

whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to each of such documents, statutes and constitutional provisions.

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

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolutions (as defined herein).

THE BONDS

Authority for Issuance

The Series A Refunding Bonds are being issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of the Government Code of the State of California and other applicable law, and pursuant to a resolution adopted by the Board on July 26, 2016 (the "Series A Refunding Bonds Resolution").

The Series B Refunding Bonds are being issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of the Government Code of the State of California and other applicable law, and pursuant to a resolution adopted by the Board on July 26, 2016 (the "Series B Refunding Bonds Resolution" and, together with the Series A Refunding Bond Resolution, the "Resolutions").

Security and Sources of Payment

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

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

General. *Ad valorem* property taxes levied to pay the Bonds will be levied annually in addition to all other taxes in an amount sufficient to pay the principal and Accreted Value of and interest thereon when due, as described above. The levy may include an allowance for an annual reserve, established for

the purpose of avoiding fluctuating tax levies. The Counties, however, are not obligated to establish such reserves, and the School District can make no representation that the Counties will do so.

Such taxes, when collected, will be placed by the Counties, with respect to the Series A Refunding Bonds, and the County, with respect to the Series B Refunding Bonds, in the respective Debt Service Funds (defined herein), each of which is required to be segregated and maintained by the County and which is designated for the payment of the principal and Accreted Value of and interest on the respective series of Bonds to which such Debt Service Fund relates, and interest thereon when due, and for no other purpose. Pursuant to the Resolutions, the School District has pledged funds on deposit in each Debt Service Fund to the payment of the respective series of Bonds to which such fund relates. Although the Counties are obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and the County will maintain the Debt Service Funds, none of the Bonds are a debt of either of the Counties. See “TAX BASE FOR REPAYMENT OF BONDS” herein.

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

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

The rate of the annual *ad valorem* property taxes levied by the Counties to repay the Series A Refunding Bonds and the County to repay the Series B Refunding Bonds will be determined by the relationship between the assessed valuation of taxable property in the School District for the Series A Refunding Bonds, or in the Improvement District for the Series B Refunding Bonds, and the amount of debt service due on the applicable series of Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the School District or the Improvement District may cause the annual tax rates to fluctuate. Economic and other factors beyond the School District’s control, such as general market decline in land values, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the School District or the Improvement District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the School District’s and Improvement District’s assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” and “TAX BASE FOR REPAYMENT OF BONDS” herein.

Description of 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 for DTC. Purchasers will not receive certificates representing their interests in the Bonds. See “THE BONDS – Book-Entry Only System” herein.

Current Interest Bonds. Interest on the Current Interest Bonds accrues from their initial date of delivery, and is payable semiannually on each Bond Payment Date, commencing February 1, 2017. Interest on the Current Interest Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Current Interest Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2017, in which event it shall bear interest from its date of delivery. The Current Interest Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof and mature on August 1 in the years and amounts set forth on the inside cover hereof.

Capital Appreciation Bonds. The Capital Appreciation Bonds are payable only at maturity (or earlier redemption, if applicable), and will not pay interest on a current basis. The Capital Appreciation Bonds accrete in value from their initial date of delivery at the Accretion Rates per annum set forth on the inside front cover hereof, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 2017. The Maturity Value of a Capital Appreciation Bond is its Accreted Value at its maturity date. Interest with respect to each Capital Appreciation Bond is represented by the amount each such Bond accretes in value from its Denominational Amount to the date for which the Accreted Value is calculated. The Accreted Value of a Capital Appreciation Bond is calculated by discounting on a 30-day month, 360-day year basis its Maturity Value on the basis of a constant interest rate (the “Accretion Rate”) compounded semiannually on February 1 and August 1 of each year to the date for which an Accreted Value is calculated, and if the date for which Accreted Value is calculated is between February 1 and August 1, by pro-rating the Accreted Values to the closest prior or subsequent February 1 or August 1. See “APPENDIX G – TABLE OF ACCRETED VALUES” attached hereto. The Capital Appreciation Bonds are issuable in denominations of \$5,000 Maturity Value or any integral multiple thereof (except for one odd denomination, if necessary).

Payments. The Owner in an aggregate principal of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the close of business on the 15th day of the month next preceding any Bond Payment Date (a “Record Date”). The principal and Accreted Value and redemption premiums, if any, on the Bonds will be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The principal and Accreted Value of and interest on the Bonds will be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal and Accreted Value of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered Owner of the Bonds. See “— Book-Entry Only System” herein.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy or completeness thereof. The School District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of principal and Accreted Value of, interest on, 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 Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "MMI Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

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 certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount or Maturity Value of such bond, as applicable, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. However, the information presented on such website is not incorporated herein by any reference to such website.

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 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 School District as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds or distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School 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 School 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 School 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 section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

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

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

The principal and Accreted Value and redemption premium, if any, of the Bonds upon the redemption thereof prior to maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the principal office of the Paying Agent. Interest on the Current Interest Bonds will be paid by the Paying Agent by check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered Owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered Owner of at least \$1,000,000 in principal of Current Interest Bonds, interest payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for a Bond of like series, tenor, maturity and Transfer Amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the designated office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent will complete, authenticate and deliver a new bond or bonds of like series and tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

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

Redemption

Optional Redemption. The Series A Refunding Bonds are not subject to redemption prior to their respective stated maturity dates.

The Series B Current Interest Refunding Bonds maturing on or before August 1, 2026 are not subject to redemption. The Series B Current Interest Refunding Bonds maturing on or after August 1, 2027 are subject to redemption prior to their respective stated maturity dates, at the option of the School District, from any source of available funds, in whole or in part, on any date on or after August 1, 2026, at a redemption price equal to the principal amount of such Series B Current Interest Refunding Bonds selected for redemption, together with interest accrued thereon to the date of redemption, without premium.

The Series B Capital Appreciation Refunding Bonds are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 2026, at a redemption price equal to the Accreted Value of such Series B Capital Appreciation Refunding Bonds selected for redemption, without premium.

Mandatory Redemption. The Series B Refunding Bonds maturing on August 1, 2038 (the “Series B Term Bonds”) are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2035, at a redemption price equal to the principal amount thereof, plus interest accrued to the date set for such redemption, without premium. The principal amount represented by such Series B Term Bonds to be so redeemed, the redemption dates therefor, and the final principal payment date are as indicated in the following table:

| Redemption Date (August 1) | Principal Amount to be Redeemed |
|---------------------------------------|--|
| 2035 | \$580,000.00 |
| 2036 | 640,000.00 |
| 2037 | 710,000.00 |
| 2038 ⁽¹⁾ | <u>225,000.00</u> |
| Total: | \$2,155,000.00 |

⁽¹⁾ Maturity.

In the event that a portion of the Series B Term Bonds maturing on August 1, 2038 are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately or as otherwise directed by the School District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Series B Term Bonds optionally redeemed.

Selection of Bonds for Redemption. Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the School District, will select Bonds for redemption as so directed, and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption as directed by the School District, and if not so directed, by lot. Redemption by lot will be in such manner as the Paying Agent will determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part will be in a principal amount of \$5,000, or any integral multiple thereof, and that the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof.

Notice of Redemption. When redemption is authorized or required pursuant to the Resolutions, upon written instruction from the School District, the Paying Agent will give notice (a “Redemption

Notice”) of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount or portion of the Accreted Value, as applicable, of such Bond to be redeemed, and (g) the original issue date, interest rate, Accretion Rate, and stated maturity date of each Bond to be redeemed in whole or in part. The Redemption Notice will further state that on the date of redemption the redemption price and accrued or accreted interest will become due and payable, and that from and after such date, interest on the Bonds will cease to accrue or accrete.

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

“Information Services” means Financial Information, Inc.’s “Daily Called Bond Service,” 1 Cragwood Road, 2nd Floor, South Plainfield, New Jersey 07080, Attention: Editor; Mergent Inc., 585 Kingsley Park Drive, Fort Mill, South Carolina 29715, Attention: Called Bond Department; and Standard and Poor’s J.J. Kenny Information Services’ “Called Bond Record,” 55 Water Street, 45th Floor, New York, New York 10041.

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

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

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

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

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like series, tenor and maturity and of authorized denominations equal in Transfer Amount (which, with respect to any outstanding Bond, means the principal amount or Maturity Value thereof, as applicable) to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the School District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption. If notice of redemption is given as described above, and the moneys for the redemption (including the interest accrued or accreted to the applicable date of redemption) have been set aside as described in “— Defeasance” herein, the Bonds to be redeemed will become due and payable on such date of redemption.

If on such redemption date, moneys for the optional redemption of all the Bonds to be redeemed, together with interest accrued or accreted to such redemption date, are held in trust so as to be available therefor on such redemption date, and if a Redemption Notice thereof has been given as described above, then from and after such redemption date, interest on the Bonds to be redeemed will cease to accrue or accrete and become payable. All money held for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds to be so redeemed.

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

Defeasance

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

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

(b) **Government Obligations:** by irrevocably depositing with an independent escrow agent selected by the School District noncallable Government Obligations, together with any amounts transferred from the respective Debt Service Fund and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and

designated for defeasance (including all principal and Accreted Value thereof, interest thereon and redemption premiums, if any) at or before their maturity date;

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

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

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Annual Debt Service

Series A Refunding Bonds. The following table summarizes the annual debt service requirements of the School District for the Series A Refunding Bonds, which are general obligations of the School District payable solely from *ad valorem* property taxes on all property subject to taxation within the School District:

| <u>Year Ending (August 1)</u> | <u>Annual Principal Payment</u> | <u>Annual Interest Payment⁽¹⁾</u> | <u>Total Annual Debt Service Payment</u> |
|-------------------------------|---------------------------------|--|--|
| 2017 | \$60,000.00 | \$121,442.22 | \$181,442.22 |
| 2018 | 35,000.00 | 146,500.00 | 181,500.00 |
| 2019 | 40,000.00 | 145,800.00 | 185,800.00 |
| 2020 | 40,000.00 | 145,000.00 | 185,000.00 |
| 2021 | 40,000.00 | 144,200.00 | 184,200.00 |
| 2022 | 675,000.00 | 143,400.00 | 818,400.00 |
| 2023 | 720,000.00 | 116,400.00 | 836,400.00 |
| 2024 | 770,000.00 | 87,600.00 | 857,600.00 |
| 2025 | 825,000.00 | 56,800.00 | 881,800.00 |
| 2026 | <u>595,000.00</u> | <u>23,800.00</u> | <u>618,800.00</u> |
| Total: | <u>\$3,800,000.00</u> | <u>\$1,130,942.22</u> | <u>\$4,930,942.22</u> |

⁽¹⁾ Interest payments will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2017.

Series B Refunding Bonds. The following table summarizes the annual debt service requirements of the School District for the Series B Refunding Bonds (assuming no optional redemptions), which are general obligations of the School District payable solely from *ad valorem* property taxes on all property subject to taxation within the boundaries of the Improvement District:

| <u>Year Ending (August 1)</u> | <u>Current Interest Bonds</u> | | <u>Capital Appreciation Bonds</u> | | <u>Total Annual Debt Service Payment</u> |
|-------------------------------|---------------------------------|--|-----------------------------------|---|--|
| | <u>Annual Principal Payment</u> | <u>Annual Interest Payment⁽¹⁾</u> | <u>Annual Principal Payment</u> | <u>Annual Accreted Interest Payment⁽²⁾</u> | |
| 2017 | \$75,000.00 | \$118,780.28 | -- | -- | \$193,780.28 |
| 2018 | 50,000.00 | 142,962.50 | -- | -- | 192,962.50 |
| 2019 | 50,000.00 | 141,962.50 | -- | -- | 191,962.50 |
| 2020 | 50,000.00 | 140,962.50 | -- | -- | 190,962.50 |
| 2021 | 55,000.00 | 139,962.50 | -- | -- | 194,962.50 |
| 2022 | 55,000.00 | 138,862.50 | -- | -- | 193,862.50 |
| 2023 | 190,000.00 | 137,762.50 | -- | -- | 327,762.50 |
| 2024 | 215,000.00 | 132,062.50 | -- | -- | 347,062.50 |
| 2025 | 245,000.00 | 125,612.50 | -- | -- | 370,612.50 |
| 2026 | 275,000.00 | 118,262.50 | -- | -- | 393,262.50 |
| 2027 | 305,000.00 | 110,012.50 | -- | -- | 415,012.50 |
| 2028 | 340,000.00 | 100,862.50 | -- | -- | 440,862.50 |
| 2029 | 370,000.00 | 94,062.50 | -- | -- | 464,062.50 |
| 2030 | -- | 86,200.00 | \$271,661.90 | \$138,338.10 | 496,200.00 |
| 2031 | -- | 86,200.00 | 280,108.40 | 159,891.60 | 526,200.00 |
| 2032 | -- | 86,200.00 | 287,978.40 | 182,021.60 | 556,200.00 |
| 2033 | -- | 86,200.00 | 297,515.70 | 207,484.30 | 591,200.00 |
| 2034 | -- | 86,200.00 | 305,591.40 | 234,408.60 | 626,200.00 |
| 2035 | 580,000.00 | 86,200.00 | -- | -- | 666,200.00 |
| 2036 | 640,000.00 | 63,000.00 | -- | -- | 703,000.00 |
| 2037 | 710,000.00 | 37,400.00 | -- | -- | 747,400.00 |
| 2038 | <u>225,000.00</u> | <u>9,000.00</u> | -- | -- | <u>234,000.00</u> |
| Total: | <u>\$4,430,000.00</u> | <u>\$2,268,730.28</u> | <u>\$1,442,855.80</u> | <u>\$922,144.20</u> | <u>\$9,063,730.28</u> |

⁽¹⁾ Interest payments will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2017.

⁽²⁾ Interest is payable only at maturity (or earlier redemption, if applicable) on August 1 of the years indicated on the inside front cover pages hereof, and interest is compounded semiannually on February 1 and August 1, commencing February 1, 2017.

See “SCHOOL DISTRICT FINANCIAL INFORMATION – School District Debt Structure – General Obligation Bonds” and “SCHOOL DISTRICT FINANCIAL INFORMATION – School District Debt Structure – Improvement District General Obligation Bonded Debt” for schedules of the total annual debt service requirements for all of the School District’s and Improvement District’s outstanding general obligation bonds.

Refunding Plan

Series A Refunding Bonds. The Series A Refunding Bonds are being issued to (i) advance refund a portion of the outstanding 2011 Refunding Bonds and (ii) pay the costs associated with the issuance of the Series A Refunding Bonds.

The net proceeds from the sale of the Series A Refunding Bonds shall be deposited with The Bank of New York Mellon Trust Company, N.A., acting as escrow agent (the “Escrow Agent”), to the credit of the “Roseville Joint Union High School District 2016 General Obligation Refunding Bonds, Series A Escrow Fund” (the “Series A Escrow Fund”). Pursuant to an escrow agreement (the “Series A Escrow Agreement”) by and between the School District and the Escrow Agent, an amount deposited in the Series A Escrow Fund will be used to purchase certain Federal Securities, as defined in the Series A Refunding Bonds Resolution, the principal of and interest on which will be sufficient, together with any moneys deposited in the Series A Escrow Fund and held as cash, to enable the Escrow Agent to pay the principal, redemption premium (if any), and interest due on the Refunded 2011 Refunding Bonds on the first optional redemption date therefor.

The 2011 Refunding Bonds expected to be refunded with the proceeds of the Series A Refunding Bonds are described in the table below.

**REFUNDED BONDS
Roseville Joint Union High School District
2011 Refunding Bonds**

| <u>Maturity (August 1)</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Redemption Date</u> | <u>Redemption Price (% of Par Amount)</u> | <u>CUSIP</u> |
|--------------------------------|-----------------------------|--------------------------|----------------------------|---|--------------|
| 2022 | \$635,000 | 5.000% | 8/1/2021 | 100% | 777849NC0 |
| 2023 | 685,000 | 5.000 | 8/1/2021 | 100 | 777849ND8 |
| 2024 | 740,000 | 5.000 | 8/1/2021 | 100 | 777849NE6 |
| 2025 | 800,000 | 5.000 | 8/1/2021 | 100 | 777849NF3 |
| 2026 | 860,000 | 5.000 | 8/1/2021 | 100 | 777849NG1 |

A portion of the 2011 Refunding Bonds, as listed below, will not be refunded with proceeds of the Series A Refunding Bonds.

UNREFUNDED BONDS
Roseville Joint Union High School District
2011 Refunding Bonds

| <u>Maturity</u> <u>(August 1)</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>CUSIP</u> |
|--------------------------------------|-----------------------------------|--------------------------------|--------------|
| 2017 | \$420,000 | 4.000% | 777849MX5 |
| 2018 | 455,000 | 4.000 | 777849MY3 |
| 2019 | 495,000 | 5.000 | 777849MZ0 |
| 2020 | 535,000 | 5.000 | 777849NA4 |
| 2021 | 585,000 | 5.000 | 777849NB2 |

The sufficiency of the amounts on deposit in the Series A Escrow Fund, together with realizable interest and earnings thereon, to pay the redemption price of the Refunded 2011 Refunding Bonds, and interest coming due on and prior to the Redemption Date, will be verified by Causey Demgen & Moore P.C., as verification agent (the “Verification Agent”). As a result of the deposit and application of funds so provided in the Series A Escrow Agreement, and assuming the accuracy of the Underwriter’s and Verification Agent’s computations, the Refunded 2011 Refunding Bonds will be defeased and the obligation of the Counties to levy *ad valorem* taxes for payment of the Refunded 2011 Refunding Bonds will be terminated.

The *ad valorem* property taxes levied by the Counties for the payment of the Series A Refunding Bonds, when collected, shall be kept separate and apart in a fund held by the County and designated as the “Roseville Joint Union High School District, 2016 General Obligation Refunding Bonds, Series A Debt Service Fund” (the “Series A Refunding Debt Service Fund”) and used only for the payment of principal of and interest on the Series A Refunding Bonds.

Any surplus moneys in the Series A Escrow Fund shall be transferred to the Series A Refunding Debt Service Fund. Any excess proceeds of the Series A Refunding Bonds not needed for the authorized purposes for which the Series A Refunding Bonds are being issued shall be transferred to the Series A Debt Service Fund and applied to the payment of principal of and interest on the Series A Refunding Bonds. If, after payment in full of the Series A Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the School District as provided and permitted by law.

Series B Refunding Bonds. The Series B Refunding Bonds are being issued to (i) advance refund a portion of the outstanding Series 2011A Bonds and (ii) pay the costs associated with the issuance of the Series B Refunding Bonds.

The net proceeds from the sale of the Series B Refunding Bonds shall be deposited with the Escrow Agent, to the credit of the “Roseville Joint Union High School District 2016 General Obligation Refunding Bonds, Series B (School Facilities Improvement District No. 1) Escrow Fund” (the “Series B Escrow Fund”). Pursuant to an escrow agreement (the “Series B Escrow Agreement”) by and between the School District and the Escrow Agent, an amount deposited in the Series B Escrow Fund will be used to purchase certain Federal Securities, as defined in the Series B Refunding Bonds Resolution, the principal of and interest on which will be sufficient, together with any moneys deposited in the Series B Escrow Fund and held as cash, to enable the Escrow Agent to pay the principal and Accreted Value, redemption premium (if any), and interest due on the Refunded Series 2011A Bonds on the first optional redemption date therefor.

The Series 2011A Bonds expected to be refunded with the proceeds of the Series B Refunding Bonds are described in the tables below.

REFUNDED BONDS
School Facilities Improvement District No. 1
of the Roseville Joint Union High School District
Series 2011A Bonds

Current Interest Bonds

| <u>Maturity (August 1)</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>CUSIP</u> |
|--------------------------------|-----------------------------|--------------------------|--------------|
| 2023 | \$135,000 | 4.500% | 777871AB0 |
| 2024 | 160,000 | 4.500 | 777871AC8 |
| 2025 | 190,000 | 4.750 | 777871AD6 |
| 2026 | 220,000 | 5.000 | 777871AE4 |
| 2029 | 305,000 | 5.250 | 777871AF1 |
| 2032 | 815,000 | 5.375 | 777871AG9 |
| 2041 | 1,825,000 | 5.625 | 777871AH7 |

Capital Appreciation Bonds

| <u>Maturity (August 1)</u> | <u>Denominational Amount</u> | <u>Accretion Rate</u> | <u>Accreted Value as of Redemption Date</u> | <u>Redemption Date</u> | <u>CUSIP</u> |
|--------------------------------|----------------------------------|---------------------------|---|----------------------------|--------------|
| 2027 | \$83,634.90 | 7.000% | \$168,753.90 | 8/1/2021 | 777871AT1 |
| 2028 | 84,313.60 | 7.100 | 171,810.80 | 8/1/2021 | 777871AU8 |
| 2030 | 88,329.50 | 7.300 | 183,575.00 | 8/1/2021 | 777871AV6 |
| 2033 | 93,526.30 | 7.600 | 200,194.40 | 8/1/2021 | 777871AX2 |
| 2034 | 90,945.75 | 7.700 | 196,602.00 | 8/1/2021 | 777871AY0 |
| 2035 | 89,286.95 | 7.770 | 194,337.40 | 8/1/2021 | 777871AZ7 |
| 2036 | 87,519.30 | 7.820 | 191,440.15 | 8/1/2021 | 777871BA1 |
| 2037 | 85,984.95 | 7.840 | 188,443.20 | 8/1/2021 | 777871BB9 |
| 2038 | 84,952.80 | 7.850 | 186,362.10 | 8/1/2021 | 777871BC7 |
| 2039 | 68,776.40 | 7.860 | 151,032.20 | 8/1/2021 | 777871BD5 |

A portion of the Series 2011A Bonds, as listed below, will not be refunded with proceeds of the Series B Refunding Bonds.

UNREFUNDED BONDS
School Facilities Improvement District No. 1
of the Roseville Joint Union High School District
Series 2011A Bonds

| <u>Maturity (August 1)</u> | <u>Denominational Amount</u> | <u>Accretion Rate</u> | <u>Maturity Value</u> | <u>CUSIP</u> |
|--------------------------------|----------------------------------|---------------------------|---------------------------|--------------|
| 2017 | \$19,414.40 | 12.000% | \$40,000 | 777871AM6 |
| 2018 | 21,598.50 | 12.000 | 50,000 | 777871AN4 |
| 2019 | 24,989.25 | 12.000 | 65,000 | 777871AP9 |
| 2020 | 29,083.60 | 12.000 | 85,000 | 777871AQ7 |
| 2021 | 45,361.00 | 7.900 | 100,000 | 777871AR5 |
| 2022 | 60,081.75 | 5.880 | 115,000 | 777871AS3 |

The sufficiency of the amounts on deposit in the Series B Escrow Fund, together with realizable interest and earnings thereon, to pay the redemption price of the Refunded Series 2011A Bonds will be

verified by the Verification Agent. As a result of the deposit and application of funds so provided in the Series B Escrow Agreement, and assuming the accuracy of the Underwriter’s and Verification Agent’s computations, the Refunded Series 2011A Bonds will be defeased and the obligation of the County to levy *ad valorem* taxes for payment of the Refunded Series 2011A Bonds will be terminated.

The *ad valorem* property taxes levied by the County for the payment of the Series B Refunding Bonds, when collected, shall be kept separate and apart in a fund held by the County and designated as the “Roseville Joint Union High School District, 2016 General Obligation Refunding Bonds, Series B (School Facilities Improvement District No. 1) Debt Service Fund” (the “Series B Refunding Debt Service Fund” and, together with the Series A Refunding Debt Service Fund, the “Debt Service Funds”) and used only for the payment of the principal of and interest on and Accreted Value of the Series B Refunding Bonds.

Any surplus moneys in the Series B Escrow Fund shall be transferred to the Series B Refunding Debt Service Fund. Any excess proceeds of the Series B Refunding Bonds not needed for the authorized purposes for which the Series B Refunding Bonds are being issued shall be transferred to the Series B Refunding Debt Service Fund and applied to the payment of principal and Accreted Value of and interest on the Series B Refunding Bonds. If, after payment in full of the Series B Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the School District as provided and permitted by law.

Moneys in the Debt Service Funds are expected to be invested through the County’s Investment Pool. For more information, see “APPENDIX E – PLACER COUNTY INVESTMENT POOL” herein.

ESTIMATED SOURCES AND USES OF FUNDS

Series A Refunding Bonds. The proceeds of the Series A Refunding Bonds of the School District are expected to be applied as follows:

Sources of Funds

| | |
|----------------------------|-----------------------|
| Principal Amount of Bonds | \$3,800,000.00 |
| Net Original Issue Premium | <u>738,423.80</u> |
| Total Sources | <u>\$4,538,423.80</u> |

Uses of Funds

| | |
|----------------------------------|-----------------------|
| Deposit to Series A Escrow Fund | \$4,426,112.72 |
| Costs of Issuance ⁽¹⁾ | 87,611.08 |
| Underwriter’s Discount | <u>24,700.00</u> |
| Total Uses | <u>\$4,538,423.80</u> |

⁽¹⁾ Reflects all costs of issuance, including legal and financial advisory fees, printing costs, rating agency fees, and the costs and fees of the Paying Agent, Escrow Agent and Verification Agent.

Series B Refunding Bonds. The proceeds of the School District’s Series B Refunding Bonds for the Improvement District are expected to be applied as follows:

Sources of Funds

| | |
|----------------------------|-----------------------|
| Principal Amount of Bonds | \$5,872,855.80 |
| Net Original Issue Premium | <u>414,062.20</u> |
| Total Sources | <u>\$6,286,918.00</u> |

Uses of Funds

| | |
|----------------------------------|-----------------------|
| Deposit to Series B Escrow Fund | \$6,140,926.90 |
| Costs of Issuance ⁽¹⁾ | 107,817.54 |
| Underwriter’s Discount | <u>38,173.56</u> |
| Total Uses | <u>\$6,286,918.00</u> |

⁽¹⁾ Reflects all costs of issuance, including legal and financial advisory fees, printing costs, rating agency fees, and the costs and fees of the Paying Agent, Escrow Agent and Verification Agent.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the School District and the Improvement District. The Series A Refunding Bonds are payable solely from ad valorem property taxes levied and collected by the Counties on taxable property in the School District. The Series B Refunding Bonds are payable solely from ad valorem property taxes levied and collected by the County on taxable property within the boundaries of the Improvement District. The School District’s general fund is not a source for the repayment of the Bonds.

Ad Valorem Property Taxation

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

Taxes are levied for each fiscal year on taxable real and personal property which is located in the School District as of the preceding January 1. For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.” Unsecured property comprises certain property not attached to land such as personal property or business property. Boats and airplanes are examples of such property. Unsecured property is assessed on the “unsecured roll.” A supplemental roll is developed when property changes hands or new construction is completed. The Counties levy and collect all property taxes for property falling within each County’s taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are due in two installments, November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and

a 10% penalty attaches to any delinquent installment plus a minimum \$10 cost on the second installment, plus any additional amount determined by the Treasurer-Tax Collector of each County. Property on the secured roll with delinquent taxes is declared tax-defaulted on or about June 30 of the calendar year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a minimum \$15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is then subject to sale by the tax-collecting authority of such County.

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

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

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

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

Assessed Valuation of the School District

Property within the School District has a total assessed valuation for fiscal year 2015-16 of \$24,837,337,210. The following table shows the historical assessed valuations in the School District:

ASSESSED VALUATIONS Roseville Joint Union High School District Fiscal Years 2006-07 through 2015-16

| <u>Fiscal Year</u> | <u>Local Secured</u> | <u>Utility</u> | <u>Unsecured</u> | <u>Total</u> | <u>Annual Percent Change</u> |
|--------------------|----------------------|----------------|------------------|------------------|----------------------------------|
| 2006-07 | \$21,156,355,137 | \$11,805,158 | \$632,630,369 | \$21,800,790,664 | -- |
| 2007-08 | 22,611,629,309 | 2,659,569 | 646,729,843 | 23,261,018,721 | 6.70% |
| 2008-09 | 22,642,481,884 | 2,659,569 | 692,374,219 | 23,337,515,672 | 0.33 |
| 2009-10 | 21,805,605,864 | 4,784,553 | 647,621,741 | 22,458,012,158 | (3.77) |
| 2010-11 | 20,356,768,905 | 4,784,553 | 634,374,940 | 20,995,928,398 | (6.51) |
| 2011-12 | 19,360,332,889 | 4,784,553 | 742,489,614 | 20,107,607,056 | (4.23) |
| 2012-13 | 19,349,196,876 | 4,784,553 | 675,489,679 | 20,029,471,108 | (0.39) |
| 2013-14 | 20,734,213,372 | 4,617,540 | 732,481,687 | 21,471,312,599 | 7.20 |
| 2014-15 | 22,372,953,832 | 4,617,540 | 739,520,816 | 23,117,092,188 | 7.67 |
| 2015-16 | 24,086,460,369 | 4,617,540 | 746,259,301 | 24,837,337,210 | 7.44 |

Source: California Municipal Statistics, Inc.

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The following table shows the distribution of taxable property within the School District by principal use, as measured by assessed valuation and parcels in fiscal year 2015-16:

ASSESSED VALUATION AND PARCELS BY LAND USE
Roseville Joint Union High School District
Fiscal Year 2015-16

| | 2015-16 | % of | No. of | % of | No. of Taxable | % |
|--|---|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | <u>Assessed Valuation</u> ⁽¹⁾ | <u>Total</u> | <u>Parcels</u> | <u>Total</u> | <u>Parcels</u> | <u>Total</u> |
| Non-Residential: | | | | | | |
| Agricultural | \$36,600,633 | 0.15% | 59 | 0.10% | 59 | 0.10% |
| Commercial/Office | 2,775,795,736 | 11.52 | 1,562 | 2.55 | 1,451 | 2.42 |
| Vacant Commercial | 260,547,072 | 1.08 | 400 | 0.65 | 380 | 0.63 |
| Industrial | 1,497,970,386 | 6.22 | 462 | 0.75 | 459 | 0.77 |
| Vacant Industrial | 138,481,915 | 0.57 | 312 | 0.51 | 292 | 0.49 |
| Recreational | 113,024,669 | 0.47 | 161 | 0.26 | 128 | 0.21 |
| Government/Social/Institutional | 85,783,789 | 0.36 | 299 | 0.49 | 114 | 0.19 |
| Miscellaneous | <u>10,423,721</u> | <u>0.04</u> | <u>754</u> | <u>1.23</u> | <u>493</u> | <u>0.82</u> |
| Subtotal Non-Residential | \$4,918,627,921 | 20.42% | 4,009 | 6.54% | 3,376 | 5.64% |
| Residential: | | | | | | |
| Single Family Residence | \$17,346,523,776 | 72.02% | 50,053 | 81.60% | 50,002 | 83.52% |
| Condominium/Townhouse | 452,666,878 | 1.88 | 2,851 | 4.65 | 2,848 | 4.76 |
| Mobile Home | 20,061,859 | 0.08 | 429 | 0.70 | 429 | 0.72 |
| Mobile Home Park | 21,309,932 | 0.09 | 9 | 0.01 | 9 | 0.02 |
| 2-3 Residential Units | 185,606,987 | 0.77 | 769 | 1.25 | 769 | 1.28 |
| 4+ Residential Units/Apartments | 902,660,440 | 3.75 | 322 | 0.52 | 318 | 0.53 |
| Miscellaneous Residential Improvements | 9,689,434 | 0.04 | 80 | 0.13 | 80 | 0.13 |
| Vacant Residential | <u>229,313,142</u> | <u>0.95</u> | <u>2,816</u> | <u>4.59</u> | <u>2,037</u> | <u>3.40</u> |
| Subtotal Residential | \$19,167,832,448 | 79.58% | 57,329 | 93.46% | 56,492 | 94.36% |
| Total | \$24,086,460,369 | 100.00% | 61,338 | 100.00% | 59,868 | 100.00% |

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

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The following table shows the distribution of single family homes within the School District among various fiscal year 2015-16 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the School District:

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Roseville Joint Union High School District
Fiscal Year 2015-16

| | <u>No. of Parcels</u> | <u>2015-16 Assessed Valuation</u> | | <u>Average Assessed Valuation</u> | <u>Median Assessed Valuation</u> | |
|---------------------------------------|---|---------------------------------------|----------------------------------|---------------------------------------|--------------------------------------|----------------------------------|
| Single Family Residential | 50,002 | \$17,346,523,776 | | \$346,917 | \$312,864 | |
| <u>2015-16 Assessed Valuation</u> | <u>No. of Parcels⁽¹⁾</u> | <u>% of Total</u> | <u>Cumulative % of Total</u> | <u>Total Valuation</u> | <u>% of Total</u> | <u>Cumulative % of Total</u> |
| \$0 - \$49,999 | 701 | 1.402% | 1.402% | \$25,881,239 | 0.149% | 0.149% |
| 50,000 - 99,999 | 1,282 | 2.564 | 3.966 | 97,200,655 | 0.560 | 0.710 |
| 100,000 - 149,999 | 1,978 | 3.956 | 7.922 | 253,864,088 | 1.463 | 2.173 |
| 150,000 - 199,999 | 4,542 | 9.084 | 17.005 | 809,831,699 | 4.669 | 6.842 |
| 200,000 - 249,999 | 6,974 | 13.947 | 30.953 | 1,579,947,573 | 9.108 | 15.950 |
| 250,000 - 299,999 | 7,538 | 15.075 | 46.028 | 2,067,844,991 | 11.921 | 27.871 |
| 300,000 - 349,999 | 6,946 | 13.891 | 59.920 | 2,250,216,764 | 12.972 | 40.843 |
| 350,000 - 399,999 | 5,664 | 11.328 | 71.247 | 2,119,846,253 | 12.221 | 53.063 |
| 400,000 - 449,999 | 4,294 | 8.588 | 79.835 | 1,819,114,312 | 10.487 | 63.550 |
| 450,000 - 499,999 | 3,262 | 6.524 | 86.359 | 1,541,816,410 | 8.888 | 72.439 |
| 500,000 - 549,999 | 2,046 | 4.092 | 90.450 | 1,069,666,852 | 6.166 | 78.605 |
| 550,000 - 599,999 | 1,297 | 2.594 | 93.044 | 742,155,519 | 4.278 | 82.883 |
| 600,000 - 649,999 | 811 | 1.622 | 94.666 | 504,531,495 | 2.909 | 85.792 |
| 650,000 - 699,999 | 581 | 1.162 | 95.828 | 391,211,359 | 2.255 | 88.047 |
| 700,000 - 749,999 | 418 | 0.836 | 96.664 | 301,872,543 | 1.740 | 89.787 |
| 750,000 - 799,999 | 301 | 0.602 | 97.266 | 233,286,958 | 1.345 | 91.132 |
| 800,000 - 849,999 | 200 | 0.400 | 97.666 | 164,745,367 | 0.950 | 92.082 |
| 850,000 - 899,999 | 215 | 0.430 | 98.096 | 188,030,275 | 1.084 | 93.166 |
| 900,000 - 949,999 | 136 | 0.272 | 98.368 | 125,261,592 | 0.722 | 93.888 |
| 950,000 - 999,999 | 125 | 0.250 | 98.618 | 121,744,216 | 0.702 | 94.590 |
| 1,000,000 and greater | <u>691</u> | <u>1.382</u> | 100.000 | <u>938,453,616</u> | <u>5.410</u> | 100.000 |
| Total | 50,002 | 100.000% | | \$17,346,523,776 | 100.000% | |

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

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The following table shows the distribution of taxable property within the School District by jurisdiction, as measured by assessed valuation for fiscal year 2015-16:

**ASSESSED VALUATION BY JURISDICTION
Roseville Joint Union High School District
Fiscal Year 2015-16**

| <u>Jurisdiction:</u> | <u>Assessed Valuation in District</u> | <u>% of District</u> | <u>Assessed Valuation of Jurisdiction</u> | <u>% of Jurisdiction in District</u> |
|----------------------------------|--|---------------------------------|--|---|
| City of Rocklin | \$13,327,281 | 0.05% | \$7,889,899,710 | 0.17% |
| City of Roseville | 18,548,316,397 | 74.68 | 18,620,024,727 | 99.61 |
| Unincorporated Placer County | 4,706,436,340 | 18.95 | 27,808,997,771 | 16.92 |
| Unincorporated Sacramento County | <u>1,569,257,192</u> | <u>6.32</u> | 49,678,248,213 | 3.16 |
| Total District | \$24,837,337,210 | 100.00% | | |
| <u>Summary by County:</u> | | | | |
| Placer County | \$23,268,080,018 | 93.68% | \$64,024,384,652 | 36.34% |
| Sacramento County | <u>1,569,257,192</u> | <u>6.32</u> | 134,593,748,617 | 1.17 |
| Total District | \$24,837,337,210 | 100.00% | | |

Source: California Municipal Statistics, Inc.

Assessed Valuation Within the Boundaries of the Improvement District

Property within the boundaries of the Improvement District has a total assessed valuation for fiscal year 2016-17 of \$1,626,591,188. The assessed valuation of the Improvement District accounts for approximately 5.5% of the total assessed valuation of taxable property in the School District based on the fiscal year 2015-16 assessed valuations. The following represents a 9-year history of assessed valuations therein.

**ASSESSED VALUATIONS
Roseville Joint Union High School District
School Facilities Improvement District No. 1
Fiscal Years 2008-09 through 2016-17**

| <u>Fiscal Year</u> | <u>Local Secured</u> | <u>Utility</u> | <u>Unsecured</u> | <u>Total</u> | <u>Annual Percent Change</u> |
|---------------------------|-----------------------------|-----------------------|-------------------------|---------------------|---|
| 2008-09 | \$578,204,784 | \$0 | \$1,108,475 | \$579,313,259 | -- |
| 2009-10 | 682,477,482 | 0 | 1,486,723 | 683,964,205 | 18.06% |
| 2010-11 | 626,307,073 | 0 | 1,167,903 | 627,474,976 | (8.26) |
| 2011-12 | 724,329,211 | 0 | 766,534 | 725,095,745 | 15.56 |
| 2012-13 | 741,762,648 | 0 | 628,729 | 742,391,377 | 2.39 |
| 2013-14 | 911,937,956 | 0 | 804,496 | 912,742,452 | 22.95 |
| 2014-15 | 1,173,492,525 | 0 | 1,112,875 | 1,174,605,400 | 28.69 |
| 2015-16 | 1,360,626,501 | 0 | 992,047 | 1,361,618,548 | 15.92 |
| 2016-17 | 1,624,988,242 | 0 | 1,602,946 | 1,626,591,188 | 19.46 |

Source: California Municipal Statistics, Inc.

The following table shows the distribution of taxable property within the boundaries of the Improvement District by principal use, as measured by assessed valuation and parcels in fiscal year 2015-16:

ASSESSED VALUATION AND PARCELS BY LAND USE
Roseville Joint Union High School District
School Facilities Improvement District No. 1
Fiscal Year 2015-16

| | 2015-16 | % of | No. of | % of | No. of Taxable | % |
|---------------------------------|---|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | <u>Assessed Valuation</u> ⁽¹⁾ | <u>Total</u> | <u>Parcels</u> | <u>Total</u> | <u>Parcels</u> | <u>Total</u> |
| Non-Residential: | | | | | | |
| Agricultural | \$2,315,857 | 0.17% | 2 | 0.05% | 2 | 0.05% |
| Commercial/Office | 2,452,429 | 0.18 | 1 | 0.02 | 1 | 0.03 |
| Vacant Commercial | 7,970,272 | 0.59 | 4 | 0.10 | 4 | 0.10 |
| Vacant Industrial | 34,042,310 | 2.50 | 8 | 0.19 | 8 | 0.20 |
| Government/Social/Institutional | <u>0</u> | <u>0.00</u> | <u>103</u> | <u>2.49</u> | <u>0</u> | <u>0.00</u> |
| Subtotal Non-Residential | \$46,780,868 | 3.44% | 118 | 2.86% | 15 | 0.38% |
| Residential: | | | | | | |
| Single Family Residence | \$1,102,715,543 | 81.04% | 2,890 | 69.92% | 2,890 | 73.22% |
| 4+ Residential Units/Apartments | 0 | 0.00 | 2 | 0.05 | 0 | 0.00 |
| Vacant Residential | <u>211,130,090</u> | <u>15.52</u> | <u>1,123</u> | <u>27.17</u> | <u>1,042</u> | <u>26.40</u> |
| Subtotal Residential | \$1,313,845,633 | 96.56% | 4,015 | 97.14% | 3,932 | 99.62% |
| Total | \$1,360,626,501 | 100.00% | 4,133 | 100.00% | 3,947 | 100.00% |

⁽¹⁾ Local secured assessed valuation; excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

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The following table shows the distribution of single family homes within the boundaries of the Improvement District among various fiscal year 2015-16 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the boundaries of the Improvement District:

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Roseville Joint Union High School District
School Facilities Improvement District No. 1
Fiscal Year 2015-16

| | <u>No. of Parcels</u> | <u>2015-16 Assessed Valuation</u> | <u>Average Assessed Valuation</u> | <u>Median Assessed Valuation</u> |
|---------------------------|---------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| Single Family Residential | 2,890 | \$1,102,715,543 | \$381,562 | \$378,899 |

| <u>2015-16 Assessed Valuation</u> | <u>No. of Parcels</u> ⁽¹⁾ | <u>% of Total</u> | <u>Cumulative % of Total</u> | <u>Total Valuation</u> | <u>% of Total</u> | <u>Cumulative % of Total</u> |
|---------------------------------------|--|-----------------------|----------------------------------|----------------------------|-----------------------|----------------------------------|
| \$0 - \$24,999 | 0 | 0.000% | 0.000% | \$0 | 0.000% | 0.000% |
| 25,000 - 49,999 | 1 | 0.035 | 0.035 | 29,831 | 0.003 | 0.003 |
| 50,000 - 74,999 | 1 | 0.035 | 0.069 | 66,685 | 0.006 | 0.009 |
| 75,000 - 99,999 | 11 | 0.381 | 0.450 | 1,018,574 | 0.092 | 0.101 |
| 100,000 - 124,999 | 8 | 0.277 | 0.727 | 894,981 | 0.081 | 0.182 |
| 125,000 - 149,999 | 4 | 0.138 | 0.865 | 564,550 | 0.051 | 0.233 |
| 150,000 - 174,999 | 8 | 0.277 | 1.142 | 1,322,917 | 0.120 | 0.353 |
| 175,000 - 199,999 | 8 | 0.277 | 1.419 | 1,506,864 | 0.137 | 0.490 |
| 200,000 - 224,999 | 24 | 0.830 | 2.249 | 5,233,921 | 0.475 | 0.965 |
| 225,000 - 249,999 | 52 | 1.799 | 4.048 | 12,405,894 | 1.125 | 2.090 |
| 250,000 - 274,999 | 128 | 4.429 | 8.478 | 33,597,043 | 3.047 | 5.137 |
| 275,000 - 299,999 | 218 | 7.543 | 16.021 | 62,733,917 | 5.689 | 10.826 |
| 300,000 - 324,999 | 257 | 8.893 | 24.913 | 80,173,745 | 7.271 | 18.096 |
| 325,000 - 349,999 | 284 | 9.827 | 34.740 | 95,947,453 | 8.701 | 26.797 |
| 350,000 - 374,999 | 391 | 13.529 | 48.270 | 141,604,367 | 12.841 | 39.639 |
| 375,000 - 399,999 | 346 | 11.972 | 60.242 | 134,215,102 | 12.171 | 51.810 |
| 400,000 - 424,999 | 341 | 11.799 | 72.042 | 140,444,497 | 12.736 | 64.546 |
| 425,000 - 449,999 | 245 | 8.478 | 80.519 | 107,026,082 | 9.706 | 74.252 |
| 450,000 - 474,999 | 216 | 7.474 | 87.993 | 99,414,874 | 9.015 | 83.267 |
| 475,000 - 499,999 | 114 | 3.945 | 91.938 | 55,515,146 | 5.034 | 88.302 |
| 500,000 and greater | <u>233</u> | <u>8.062</u> | 100.000 | <u>128,999,100</u> | <u>11.698</u> | 100.000 |
| Total | 2,890 | 100.000% | | \$1,102,715,543 | 100.000% | |

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

The following table shows the distribution of taxable property within the boundaries of the Improvement District by jurisdiction, as measured by assessed valuation for fiscal year 2015-16:

ASSESSED VALUATION BY JURISDICTION
Roseville Joint Union High School District
School Facilities Improvement District No. 1
Fiscal Year 2015-16

| <u>Jurisdiction:</u> | <u>Assessed Valuation in Improvement District</u> | <u>% of Improvement District</u> | <u>Assessed Valuation of Jurisdiction</u> | <u>% of Jurisdiction in Improvement District</u> |
|------------------------------|---|--------------------------------------|---|--|
| City of Roseville | \$1,316,427,610 | 96.68% | \$18,620,024,727 | 7.07% |
| Unincorporated Placer County | <u>45,190,938</u> | <u>3.32</u> | 27,808,997,771 | 0.16% |
| Total District | \$1,361,618,548 | 100.00% | | |
| Placer County | \$1,361,618,548 | 100.00% | \$64,024,384,652 | 2.13% |

Source: California Municipal Statistics, Inc.

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

Drought. On January 17, 2014, the State Governor (the "Governor") declared a state-wide Drought State of Emergency. As of such date, the State faced water shortfalls due to the driest year in recorded State history; the State's rivers and reservoirs were below their record low levels, and manual and electronic readings recorded the water content of snowpack at the highest elevations in the State (chiefly in the Sierra Nevada mountain range) at about 20% of normal average for the winter season. As part of his State of Emergency declaration, the Governor directed State officials to assist agricultural producers and communities that may be economically impacted by dry conditions. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a statewide notice of water shortages and potential future curtailment of water right diversions. On April 1, 2015, the Governor issued an executive order mandating certain temporary conservation measures, which were implemented by means of an emergency regulation adopted by the Water Board on May 5, 2015. The temporary conservation measures have been extended and amended by subsequent executive orders of the Governor and Water Board regulations. Most recently, on May 9, 2016, the Governor issued an executive order mandating the Department of Water Resources, the Water Board and the California Public Utilities Commission to update and extend temporary water restrictions through end of January 2017, and to take actions to transition to permanent, long-term improvements in water use. Following the Governor's executive order, on May 18, 2016, the Water Board adopted a localized "stress test" approach of water conservation, under which local urban water agencies are required to ensure a three-year supply of water assuming three years of drought conditions. Agencies that project a water shortage at the end of the three-year period under the stress test are required to implement conservation measures through January 2017 equal to the percentage of water shortage projected.

The School District cannot make any representation regarding the effects that the current drought has had, or, if it should continue, may have on the value of taxable property within the School District or Improvement District, or to what extent the drought could cause disruptions to economic activity within the boundaries of the School District or Improvement District.

Appeals and Adjustments of Assessed Valuations. Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the "SBE"), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution" herein.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution. See also “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” herein. Such reductions are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIII A.

No assurance can be given that property tax appeals or actions by the county assessors in the future will not significantly reduce the assessed valuation of property within the School District or the Improvement District.

Tax Levies, Collections and Delinquencies

The following tables show secured tax charges and delinquencies for taxable property within the School District for fiscal years 2010-11 through 2014-15 and for taxable property within the boundaries of the Improvement District for fiscal years 2011-12 through 2015-16.

**SECURED TAX CHARGES AND DELINQUENCIES
Roseville Joint Union High School District
Fiscal Years 2010-11 through 2014-15**

| | <u>Secured Tax Charge</u> ⁽¹⁾ | <u>Amt. Del. June 30</u> | <u>% Del. June 30</u> |
|---|--|------------------------------|---------------------------|
| <u>Placer County Portion</u> | | | |
| 2010-11 | \$8,093,116.74 | \$136,674.55 | 1.69% |
| 2011-12 | 7,496,435.70 | 136,344.95 | 1.82 |
| 2012-13 | 7,981,876.73 | 102,240.28 | 1.28 |
| 2013-14 | 9,828,546.44 | 71,571.91 | 0.73 |
| 2014-15 | 10,015,846.37 | 92,667.58 | 0.93 |
| <u>Sacramento County Portion</u> | | | |
| 2010-11 | \$567,632.00 | \$8,275.00 | 1.46% |
| 2011-12 | 528,009.00 | 7,337.00 | 1.39 |
| 2012-13 | 537,913.00 | 4,255.00 | 0.79 |
| 2013-14 | 686,519.00 | 4,128.00 | 0.60 |
| 2014-15 | 716,217.00 | 4,985.00 | 0.70 |

⁽¹⁾ School District’s general obligation bond debt service levy.
Source: California Municipal Statistics, Inc.

SECURED TAX CHARGES AND DELINQUENCIES
Roseville Joint Union High School District
School Facilities Improvement District No. 1
Fiscal Years 2011-12 through 2015-16

| | Secured Tax Charge⁽¹⁾ | Amt. Del. June 30 | % Del. June 30 |
|---------|---|------------------------------|---------------------------|
| 2011-12 | \$71,739.10 | \$515.82 | 0.72% |
| 2012-13 | 192,621.00 | 1,491.31 | 0.77 |
| 2013-14 | 152,726.49 | 657.84 | 0.43 |
| 2014-15 | 145,335.98 | 299.64 | 0.21 |
| 2015-16 | 178,548.24 | 392.56 | 0.22 |

⁽¹⁾ Improvement District's general obligation bond debt service levy.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment – “Teeter Plan”

The Boards of Supervisors of the Counties have approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, the Counties apportion secured property taxes on an accrual basis when due (irrespective of actual collections) to its respective local political subdivisions, including the School District, for which the Counties act as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all secured tax levies for which each such county acts as the tax-levying or tax-collecting agency, or for which such county's treasury is the legal depository of the tax collections.

The *ad valorem* property taxes to be levied to pay the principal and Accreted Value of and interest on the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy. The School District will receive 100% of the secured *ad valorem* property tax levied in the Counties to pay the respective series of Bonds irrespective of actual delinquencies in the collection of the tax by the Counties.

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

Tax Rates

The following table summarizes the total *ad valorem* tax rates levied by all taxing entities in a typical tax rate areas (each a “TRA”) within the School District during the period from fiscal year 2011-12 to fiscal year 2015-16 and the Improvement District during the period from fiscal year 2011-12 to fiscal year 2016-17.

TYPICAL TOTAL TAX RATES Roseville Joint Union High School District Fiscal Years 2011-12 through 2015-16

Placer County Within the City of Roseville (TRA 5-001 – 2015-16 Assessed Valuation: \$9,830,535,756)

| | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| General | 1.000000% | 1.000000% | 1.000000% | 1.000000% | 1.000000% |
| Roseville Joint Union High School District | 0.041963 | 0.044598 | 0.051398 | 0.048472 | 0.045357 |
| Roseville City School District | <u>0.046715</u> | <u>0.053481</u> | <u>0.044060</u> | <u>0.045705</u> | <u>0.043431</u> |
| Total | 1.088678% | 1.098079% | 1.095458% | 1.094177% | 1.088788% |

Within Unincorporated Placer County (TRA 69-027 – 2015-16 Assessed Valuation: \$1,781,980,470)

| | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| General | 1.000000% | 1.000000% | 1.000000% | 1.000000% | 1.000000% |
| Roseville Joint Union High School District | 0.041963 | 0.044598 | 0.051398 | 0.048472 | 0.045357 |
| Eureka Union School District | <u>0.035265</u> | <u>0.037005</u> | <u>0.038112</u> | <u>0.037938</u> | <u>0.036197</u> |
| Total | 1.077228% | 1.081603% | 1.089510% | 1.086410% | 1.081554% |

Sacramento County (TRA 66-002 – 2015-16 Assessed Valuation: \$222,883,078)

| | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| General | 1.0000% | 1.0000% | 1.0000% | 1.0000% | 1.0000% |
| Roseville Joint Union High School District | 0.0420 | 0.0445 | 0.0513 | 0.0484 | 0.0454 |
| Dry Creek School District | <u>0.0671</u> | <u>0.0741</u> | <u>0.0706</u> | <u>0.0678</u> | <u>0.0667</u> |
| Total | 1.1091% | 1.1186% | 1.1219% | 1.1162% | 1.1121% |

Source: California Municipal Statistics, Inc.

TYPICAL TOTAL TAX RATES Roseville Joint Union High School District School Facilities Improvement District No. 1 Fiscal Years 2011-12 through 2016-17

Placer County Within the City of Roseville (TRA 5-066 – 2016-17 Assessed Valuation: \$1,551,615,402)

| | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| County | 1.000000% | 1.000000% | 1.000000% | 1.000000% | 1.000000% | 1.000000% |
| Roseville Joint Union High School District Bond | 0.041963 | 0.044598 | 0.051398 | 0.048472 | 0.045357 | .043616 |
| Roseville Joint Union High School District SFID No. 1 | 0.010023 | 0.026309 | 0.016928 | 0.012505 | 0.013196 | .011819 |
| Roseville City School District Bond | <u>0.046715</u> | <u>0.053481</u> | <u>0.044060</u> | <u>0.045705</u> | <u>0.043431</u> | <u>.050047</u> |
| Total | 1.098701% | 1.124388% | 1.112386% | 1.106682% | 1.101984% | 1.105482% |

Placer County Within Unincorporated Placer County (TRA 88-037 – 2016-17 Assessed Valuation: \$26,635,000)

| | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| County | 1.000000% | 1.000000% | 1.000000% | 1.000000% | 1.000000% | 1.000000% |
| Roseville Joint Union High School District Bond | 0.041963 | 0.044598 | 0.051398 | 0.048472 | 0.045357 | .043616 |
| Roseville Joint Union High School District SFID No. 1 | 0.010023 | 0.026309 | 0.016928 | 0.012505 | 0.013196 | .011819 |
| Roseville City School District Bond | <u>0.046715</u> | <u>0.053481</u> | <u>0.044060</u> | <u>0.045705</u> | <u>0.043431</u> | <u>.050047</u> |
| Total | 1.098701% | 1.124388% | 1.112386% | 1.106682% | 1.101984% | 1.105482% |

Source: California Municipal Statistics, Inc.

Principal Taxpayers

The following table lists the major taxpayers in the School District based on their 2015-16 secured assessed valuations:

**LARGEST LOCAL SECURED TAXPAYERS
Roseville Joint Union High School District
Fiscal Year 2015-16**

| | <u>Property Owner</u> | <u>Primary Land Use</u> | <u>2015-16 Assessed Valuation</u> | <u>% of Total⁽¹⁾</u> |
|-----|---|-------------------------|---------------------------------------|-------------------------------------|
| 1. | Roseville Shoppingtown LLC | Shopping Center | \$417,439,536 | 1.73% |
| 2. | Hewlett Packard Co. | Industrial | 137,190,170 | 0.57 |
| 3. | Walmart Stores Inc. | Commercial | 85,977,042 | 0.36 |
| 4. | Slate Creek Roseville LLC | Apartments | 81,809,449 | 0.34 |
| 5. | Rosemeade Residential Holdings LLC | Apartments | 80,150,650 | 0.33 |
| 6. | BEP Roseville Investors LLC | Office Building | 78,285,118 | 0.33 |
| 7. | Timberpine Holdings LLC | Industrial | 66,198,907 | 0.27 |
| 8. | Roseville Fountains LP | Shopping Center | 66,050,579 | 0.27 |
| 9. | CPT Creekside Town Center LLC | Shopping Center | 63,772,773 | 0.26 |
| 10. | DDR Creekside LP | Commercial | 53,812,980 | 0.22 |
| 11. | John L. Sullivan Family LP | Auto Dealership | 51,831,166 | 0.22 |
| 12. | W2005 Fargo Hotels Pool C Realty LP | Hotel | 51,028,349 | 0.21 |
| 13. | BBC Roseville Oaks LLC | Commercial | 50,998,998 | 0.21 |
| 14. | Mourier Land Investment Corporation | Office Building | 45,733,890 | 0.19 |
| 15. | NNN Parkway Corporate Plaza LLC | Office Building | 45,350,000 | 0.19 |
| 16. | Westpark MPC 5 LLC | Industrial | 43,818,340 | 0.18 |
| 17. | Terraces at Highland Property Owner LLC | Apartments | 42,436,644 | 0.18 |
| 18. | Lennar Homes of California | Residential Development | 42,321,254 | 0.18 |
| 19. | Safeway Inc. | Commercial | 41,829,424 | 0.17 |
| 20. | Pinnacle OPID LLC & Pinnacle PCC LLC | Apartments | <u>40,991,754</u> | <u>0.17</u> |
| | | | \$1,587,027,023 | 6.59% |

⁽¹⁾ 2015-16 local secured assessed valuation: \$24,086,460,369.

Source: California Municipal Statistics, Inc.

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The following table lists the major taxpayers within the boundaries of the Improvement District based on their 2015-16 secured assessed valuations:

LARGEST LOCAL SECURED TAXPAYERS
Roseville Joint Union High School District
School Facilities Improvement District No. 1
Fiscal Year 2015-16

| <u>Property Owner</u> | <u>Primary Land Use</u> | <u>2015-16 Assessed Valuation</u> | <u>% of Total⁽¹⁾</u> |
|--|-------------------------|---------------------------------------|-------------------------------------|
| 1. Westpark MPC 5 LLC | Industrial Land | \$43,818,340 | 3.22% |
| 2. Meritage Homes of California Inc. | Residential Development | 40,031,410 | 2.94 |
| 3. Lennar Homes of California | Residential Development | 38,910,098 | 2.86 |
| 4. KB Home Sacramento Inc. | Residential Development | 34,227,486 | 2.52 |
| 5. ATC Realty One LLC | Undeveloped | 33,371,301 | 2.45 |
| 6. Pulte Home Corporation | Residential Development | 22,447,803 | 1.65 |
| 7. John Mourier Construction Inc. | Residential Development | 20,466,465 | 1.50 |
| 8. Westpark S V 400 LLC | Undeveloped | 5,240,814 | 0.39 |
| 9. West Roseville Development Company Inc. | Commercial | 4,433,176 | 0.33 |
| 10. Central Valley Property Advisors LLC | Commercial | 4,000,000 | 0.29 |
| 11. West Roseville LLC | Industrial Land | 3,931,251 | 0.29 |
| 12. GBD Fiddymment Lands LP | Undeveloped | 3,843,488 | 0.28 |
| 13. Taylor Morrison of California LLC | Residential Development | 3,037,091 | 0.22 |
| 14. Agree Roseville CA LLC, et. al. | Commercial | 2,452,429 | 0.18 |
| 15. WP Development Company LLC | Undeveloped | 2,445,807 | 0.18 |
| 16. Blue Oaks-Roseville LP | Undeveloped | 2,429,863 | 0.18 |
| 17. Phillips Road 160 Investors | Undeveloped | 2,242,533 | 0.16 |
| 18. PL Roseville LLC | Commercial | 1,500,000 | 0.11 |
| 19. D.B. and Pamela D. Meikle, Trust | Residential | 1,456,205 | 0.11 |
| 20. HCA Model Fund 2013-1 California LP | Residential | <u>1,373,747</u> | <u>0.10</u> |
| | | \$271,659,307 | 19.97% |

⁽¹⁾ 2015-16 local secured assessed valuation: \$1,360,626,501.

Source: California Municipal Statistics, Inc.

District Statement of Direct and Overlapping Debt

Set forth below are direct and overlapping debt reports relating to the School District and the Improvement District (each a “Debt Report”) prepared by California Municipal Statistics, Inc., each effective as of August 1, 2016, for debt issued as of July 19, 2016 with respect to the Improvement District and as of July 22, 2016 with respect to the School District. The Debt Reports are included for general information purposes only. The School District has not reviewed the Debt Reports for completeness or accuracy and makes no representation in connection therewith.

The Debt Reports generally include long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the School District and the Improvement District, in whole or in part. Such long-term obligations generally are not payable from revenues of the School District (except as indicated) nor are they necessarily obligations secured by land within such School District or Improvement District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The first column in the table names each public agency which has outstanding debt as of the date of each Debt Report and whose territory overlaps the School District and the Improvement District, in whole or in part. Column 2 in each Debt Report shows the percentage of each overlapping agency’s

assessed value located within the boundaries of such School District or Improvement District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column 3 of each Debt Report, which is the apportionment of each overlapping agency's outstanding debt to taxable property located in the School District and the Improvement District.

**STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Roseville Joint Union High School District**

2015-16 Assessed Valuation: \$24,837,337,210

| <u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u> | <u>% Applicable</u> | <u>Debt 8/1/16</u> |
|---|----------------------------|--------------------------------------|
| Roseville Joint Union High School District | 100.000% | \$67,998,598⁽¹⁾⁽²⁾ |
| Roseville Joint Union High School District School Facilities Improvement District No. 1 | 100.000 | 4,707,799 ⁽⁴⁾ |
| Dry Creek Joint School District | 100.000 | 36,885,334 |
| Dry Creek Joint School District Community Facilities District No. 1 | 100.000 | 9,037,989 |
| Eureka Union School District | 100.000 | 2,105,848 |
| Roseville City School District | 100.000 | 18,286,852 |
| Placer County Community Facilities District No. 2001-1 | 84.878 | 9,094,678 |
| City of Roseville Community Facilities Districts | 75.743-100.000 | 324,403,456 |
| California Statewide Communities Development Authority Assessment Districts | 100.000 | 8,229,921 |
| Sacramento Area Flood Control Operation and Maintenance Assessment District | 0.389 | 11,314 |
| County 1915 Act Bonds | 100.000 | <u>2,510,000</u> |
| TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | | \$483,271,789 |

| <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u> | | |
|--|----------------|---------------------|
| Placer County General Fund Obligations | 36.343% | \$12,216,699 |
| Placer County Office of Education Certificates of Participation | 36.343 | 537,876 |
| Sacramento County General Fund Obligations | 1.166 | 2,957,512 |
| Sacramento County Pension Obligation Bonds | 1.166 | 11,138,597 |
| Sacramento County Board of Education Certificates of Participation | 1.166 | 75,557 |
| Sierra Joint Community College District Certificates of Participation | 29.332 | 2,127,743 |
| Roseville Joint Union High School District Certificates of Participation | 100.000 | 1,100,000 |
| Eureka Union School District Certificates of Participation | 100.000 | 3,825,000 |
| Roseville City School District Certificates of Participation | 100.000 | 8,755,000 |
| City of Rocklin Certificates of Participation | 0.169 | 2,560 |
| City of Roseville Certificates of Participation | 99.615 | 26,084,125 |
| Sacramento Metropolitan Fire District General Fund and Pension Obligation Bonds | 2.774 | 1,789,756 |
| South Placer Fire Protection District Certificates of Participation | 69.440 | 3,683,792 |
| Sunrise Recreation and Park District Certificates of Participation | 14.206 | 886,454 |
| Placer County Mosquito and Vector Control District Certificates of Participation | 36.343 | <u>1,346,508</u> |
| TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT | | \$76,527,179 |
| Less: City of Roseville supported obligations | | <u>(3,405,682)</u> |
| TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT | | \$73,121,497 |

| <u>OVERLAPPING TAX INCREMENT DEBT:</u> | | |
|---|---------|---------------------|
| Placer County Redevelopment Agency Housing | 12.142% | \$2,478,182 |
| Roseville Redevelopment Agency | 94.755 | <u>50,319,643</u> |
| TOTAL OVERLAPPING TAX INCREMENT DEBT | | \$52,797,825 |

| | |
|----------------------------------|------------------------------------|
| GROSS COMBINED TOTAL DEBT | \$612,596,793⁽³⁾ |
| NET COMBINED TOTAL DEBT | 609,191,111 |

| <u>Ratios to 2015-16 Assessed Valuation:</u> | |
|--|--------------|
| Direct Debt (\$67,998,598) | 0.27% |
| Total Direct and Overlapping Tax and Assessment Debt | 1.95% |
| Combined Direct Debt (\$69,098,598) | 0.28% |
| Gross Combined Total Debt..... | 2.47% |
| Net Combined Total Debt | 2.45% |

| <u>Ratios to Redevelopment Incremental Valuation (\$797,894,590):</u> | |
|--|-------|
| Total Overlapping Tax Increment Debt..... | 6.62% |

(1) Excludes accreted value of capital appreciation bonds.
(2) Excludes the Series A Refunding Bonds, and includes the Refunded 2011 Refunding Bonds expected to be refinanced with proceeds of the Series A Refunding Bonds.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
(4) Excludes the Series B Refunding Bonds, and includes the Refunded Series 2011A Bonds expected to be refinanced with proceeds of the Series B Refunding Bonds.

Source: California Municipal Statistics, Inc.

**STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Roseville Joint Union High School District
School Facilities Improvement District No. 1**

2015-16 Assessed Valuation: \$1,361,618,548

| <u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u> | <u>% Applicable</u> | <u>Debt 8/1/16</u> |
|--|----------------------------|------------------------------------|
| Roseville Joint Union High School District | 5.482% | \$3,727,683 ⁽³⁾ |
| Roseville Union High School District School Facilities Improvement District No. 1 | 100.000 | 4,707,799⁽¹⁾ |
| Roseville City School District | 9.771 | 1,786,808 |
| City of Roseville Fiddymont Ranch Community Facilities District No. 1 | 100.000 | 72,945,000 |
| City of Roseville Westpark Community Facilities District No. 1 | 84.938 | 57,638,927 |
| City of Roseville Westbrook Community Facilities District No. 1 | 75.743 | <u>10,872,908</u> |
| TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | | \$151,679,125 |
| | | |
| <u>OVERLAPPING GENERAL FUND DEBT:</u> | | |
| Placer County General Fund Obligations | 2.127% | \$714,991 |
| Placer County Office of Education Certificates of Participation | 2.127 | 31,480 |
| Sierra Joint Community College District Certificates of Participation | 1.608 | 116,644 |
| Roseville Joint Union High School District Certificates of Participation | 5.482 | 60,302 |
| Roseville City School District Certificates of Participation | 9.771 | 855,451 |
| City of Roseville Certificates of Participation | 7.070 | 1,851,275 |
| Placer County Mosquito and Vector Control District Certificates of Participation | 2.127 | <u>78,805</u> |
| TOTAL GROSS OVERLAPPING GENERAL FUND DEBT | | \$3,708,948 |
| Less: Roseville supported obligations | | <u>(241,712)</u> |
| TOTAL NET OVERLAPPING GENERAL FUND DEBT | | \$3,467,236 |
| | | |
| <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u> | | \$35,513 |
| | | |
| GROSS COMBINED TOTAL DEBT | | \$155,423,586⁽²⁾ |
| NET COMBINED TOTAL DEBT | | 155,181,874 |

Ratios to 2015-16 Assessed Valuation:

| | |
|---|--------------|
| Direct Debt (\$4,707,799) | 0.35% |
| Total Direct and Overlapping Tax and Assessment Debt..... | 11.14% |
| Gross Combined Total Debt..... | 11.41% |
| Net Combined Total Debt | 11.40% |

Ratios to Redevelopment Incremental Valuation (\$3,100,739):

| | |
|---|-------|
| Total Overlapping Tax Increment Debt..... | 1.15% |
|---|-------|

⁽¹⁾ Excludes the Series B Refunding Bonds, and includes the Refunded Series 2011A Bonds expected to be refinanced with proceeds of the Series B Refunding Bonds.

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

⁽³⁾ Excludes the Series A Refunding Bonds, and includes the Refunded 2011 Refunding Bonds expected to be refinanced with proceeds of the Series A Refunding Bonds.

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING SCHOOL DISTRICT REVENUES AND APPROPRIATIONS

The principal and Accreted Value of and interest on the Bonds are payable solely from the proceeds of an ad valorem property tax levied by the Counties for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D of the Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the Counties, on behalf of the School District, to levy taxes 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 Counties to levy taxes for payment of the Bonds. The taxes levied by the Counties for payment of the Bonds were approved by the School District’s and Improvement District’s voters in compliance with Article XIII A, Article XIII C, and all applicable laws.

Article XIII A of the California Constitution

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

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

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

Legislation Implementing Article XIII A

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

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

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

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

Unitary Property

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

Article XIII B of the California Constitution

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

- (a) “change in the cost of living” with respect to school districts to mean the percentage change in California per capita income from the preceding year, and
- (b) “change in population” with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

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

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

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

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

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

Article XIII C and Article XIII D of the California Constitution

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

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

The School District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one percent *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the 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 thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the School District or within the Improvement District.

Proposition 26

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

Propositions 98 and 111

On November 8, 1988, voters of the State of California approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as “K-14 school districts”) at a level equal to the greater of (a) the same percentage of the State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

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

transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

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

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

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

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.
- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the State Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.
- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

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

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. 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-12 school districts, including the School District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. 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 of Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require such bonds may be issued only if the tax rate per \$100,000 of taxable property value projected to be levied as the result of any single election would not exceed \$60 (for a unified school district), \$30 (for a high school or elementary school district), or \$25 (for a community college district) when assessed valuation is projected to increase in accordance with Article XIII A of the Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

Proposition 30

On November 6, 2012, voters of the State approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as

“Proposition 30”), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax will be levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers and over \$340,000 but less than \$408,001 for head-of-household filers), (ii) 2% for taxable income over \$300,000 but less than \$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers and over \$408,000 but less than \$680,001 for head-of-household filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers and over \$680,000 for head-of-household filers).

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for K-14 school districts. See “— Propositions 98 and 111” herein. From an accounting perspective, the revenues generated from the temporary tax increases are deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “EPA”). Pursuant to Proposition 30, funds in the EPA are allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds are distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children’s Education and Health Care Protection Act of 2016, also known as Proposition 55, is a proposed constitutional amendment initiative that has qualified for the November 8, 2016 general election in California. Proposition 55 would extend the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30. Under Proposition 55, the Proposition 30 income tax rate increases on high-income Californians would not expire at the end of 2018, as scheduled under current law. The proposal would extend the income tax rate increases through 2030. Tax revenue received under Proposition 55 would be allocated 89% to K-12 schools and 11% to community colleges. Under the proposed constitutional amendment, the sales tax rate increase under Proposition 30 would not be extended. The District can make no representation as to whether Proposition 55 will be approved.

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the School District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the School District’s

budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the School District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (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 approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1 percent of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

Proposition 2

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

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a

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

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

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

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

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 22, 26, 30, 39, and 98 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting School 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.

State Budget

The following information concerning the State's budgets has been obtained from publicly available information which the School District believes to be reliable; however, the School District does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal and Accreted Value of or interest on the Bonds is payable from the general fund of the School District. The Bonds are payable solely from the proceeds of ad valorem property taxes required to be levied by the Counties in amounts sufficient for the payment thereof.

2016-17 Budget. On June 27, 2016, the Governor signed into the law the State budget for fiscal year 2016-17 (the "2016-17 Budget"). The following information is drawn from the Department of Finance's summary of the 2016-17 Budget.

The 2016-17 Budget projects, for fiscal year 2015-16, total general fund revenues and transfers of \$117 billion and total expenditures of \$115.6 billion. The State is projected to end the 2015-16 fiscal year with total available reserves of \$7.3 billion, including \$3.9 billion in the traditional general fund reserve and \$3.4 billion in the BSA. For fiscal year 2016-17, the 2016-17 Budget projects a growth in State general fund revenues driven primarily by total general fund revenues of \$120.3 billion and authorizes expenditures of \$122.5 billion. The State is projected to end the 2016-17 fiscal year with total available reserves of \$8.5 billion, including \$1.8 billion in the traditional general fund reserve and \$6.7 billion in the BSA.

As required by Proposition 2, the 2016-17 Budget applies \$1.3 billion towards the repayment of existing State liabilities, including loans from special funds, State and University of California pension and retiree health benefits and settle-up payments to K-14 school districts resulting from an underfunding of the Proposition 98 minimum funding guarantee in a prior fiscal year. Other significant features including measures designed to counteract the effects of poverty, fund various infrastructure improvements, and increase funding for low income housing and homelessness programs.

With respect to education funding, the 2016-17 Budget sets the Proposition 98 minimum funding guarantee at \$71.9 billion, an increase of \$3.5 billion over the revised level from the prior fiscal year. Significant features with respect to K-12 education funding include the following:

- *Local Control Funding Formula* – \$2.9 billion of Proposition 98 funding to continue the implementation of the LCFF (as defined herein). As a result, the 2016-17 Budget projects total LCFF implementation to be at 96% during fiscal year 2016-17.
- *College Readiness* – \$200 million in one-time Proposition 98 funding to fund a block grant for school districts and charter schools serving high school students. Funds are intended to provide additional services that support access and successful transition to higher education. Allocation of the funding will be based on the number of students in grades 9 through 12 that are English-learners, low-income or foster youth, with no district or charter school receiving less than \$75,000. The 2016-17 Budget also provides \$15 million in one-time Proposition 98

grant funding to support coordinated student outreach by local educational agencies and community college districts aimed at increasing college preparation, access, and success.

- *Teacher Workforce* – \$35 million in one-time funding, including \$25 million of Proposition 98 funding, to provide grants aimed at recruiting additional teachers and streamlining teacher credentialing programs.
- *Charter Schools* – An increase of \$20 million in one-time Proposition 98 funding to support startup costs for new charter schools in 2016 and 2017. The funds are intended to offset the loss of previously available federal funding.
- *Support Systems* – \$20 million in one-time Proposition 98 funding to assist local educational agencies provide academic, behavioral, social and emotional student support services.
- *Truancy and Dropout Prevention* – Proposition 47, approved by voters in November 2014, reduces penalties for certain non-serious and non-violent property and drug offenses, and requires that State expenditures savings resulting from these reduced penalties be invested into K-12 truancy and dropout prevention. The 2016-17 Budget allocates \$18 million of such funding to K-12 local education agencies.
- *Drinking Water* – \$9.5 million in one-time Proposition 98 funding to assist school districts that serve isolated or economically disadvantaged areas improve access to safe drinking water.
- *Mandates* – \$1.3 billion in one-time Proposition 98 funding to reduce the existing backlog of unpaid reimbursement claims to K-12 local educational agencies for the cost of State-mandated programs. The funding would be provided to local educational agencies on a per-student basis, and would be available to be used at local discretion.

For additional information regarding the 2016-17 Budget, see the State Department of Finance website at www.dof.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Future Actions. The School District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures. The School District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the School District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the School District. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the School District or the Improvement District, as applicable, for the payment of principal and Accreted Value of and interest on the Bonds would not be impaired.

SCHOOL DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the School District and the School District's 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 and Accreted Value of and interest on the Bonds is payable from the General Fund of the School District. The Bonds are payable solely from the revenues generated by ad valorem property taxes required to be levied by the Counties in amounts sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.

State Funding of Education

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

Revenue Limit Funding. Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. Funding of a school district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Beginning in fiscal year 2013-14, school districts are funded based on uniform funding grants assigned to certain grade spans. See "— Local Control Funding Formula" herein.

The following table reflects the School District's historical ADA and the revenue limit rates per unit of ADA for fiscal years 2006-07 through 2012-13.

AVERAGE DAILY ATTENDANCE AND REVENUE LIMIT Roseville Joint Union High School District Fiscal Years 2006-07 to 2012-13

| <u>Fiscal Year</u> | <u>Average Daily Attendance⁽¹⁾</u> | <u>Annual Change in ADA</u> | <u>Enrollment⁽²⁾</u> | <u>Base Revenue Limit per ADA</u> | <u>Deficit Revenue Limit Per ADA⁽³⁾</u> |
|--------------------|---|-----------------------------|---------------------------------|-----------------------------------|--|
| 2006-07 | 8,376 | -- | 8,978 | \$6,379 | \$6,379 |
| 2007-08 | 8,648 | 272 | 9,237 | 6,669 | 6,669 |
| 2008-09 | 8,955 | 307 | 9,534 | 7,048 | 6,495 |
| 2009-10 | 9,297 | 342 | 9,853 | 7,348 | 5,999 |
| 2010-11 | 9,550 | 253 | 10,074 | 7,327 | 6,004 |
| 2011-12 | 9,609 | 59 | 10,084 | 7,483 | 5,948 |
| 2012-13 | 9,753 | 144 | 10,229 | 7,726 | 6,012 |

⁽¹⁾ Reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is each four week period of instruction beginning with the first day of school for any school district.

⁽²⁾ Enrollment as of October CBEDS in each school year. Figures include students attending schools operated by the Placer County Office of Education.

⁽³⁾ Deficit revenue limit funding, when provided for in State budgetary legislation, reduced the revenue limit allocations received by school districts by applying a deficit factor to the base revenue limit for the given fiscal year, and resulted from an insufficiency of appropriation funds in the State budget to provide for State aid owed to school districts. The State's practice of deficit revenue limit funding was most recently reinstated beginning in fiscal year 2008-09 and discontinued following the implementation of the LCFF (as defined herein).

Source: Roseville Joint Union High School District.

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

The primary component of AB 97, as amended by SB 91, is the implementation of the Local Control Funding Formula (“LCFF”), which replaces the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are provided on the basis of target base funding grants per unit of ADA (a “Base Grant”) assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. Full implementation of the LCFF is expected to occur over a period of several fiscal years. Beginning in fiscal year 2013-14, an annual transition adjustment is required to be calculated for each school district, equal to such district’s proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts will have the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district’s funding gap. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – State Budget” herein.

The Base Grants per unit of ADA for each grade span are as follows: (i) \$6,845 for grades K-3; (ii) \$6,947 for grades 4-6; (iii) \$7,154 for grades 7-8; and (iv) \$8,289 for grades 9-12. Beginning in fiscal year 2013-14, and in each subsequent year, the Base Grants are to be adjusted for COLAs by applying the implicit price deflator for government goods and services. Following full implementation of the LCFF, the provision of COLAs will be subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels.

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

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

The following table shows a breakdown of the School District’s ADA, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2013-14 through 2016-17.

**ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
FISCAL YEARS 2013-14 THROUGH 2016-17
Roseville Joint Union High School District**

| <u>Fiscal Year</u> | <u>Total ADA</u> ⁽¹⁾ | <u>Total Enrollment</u> ⁽²⁾ | <u>% of EL/LI Enrollment</u> ⁽²⁾ |
|------------------------|---------------------------------|--|---|
| 2013-14 | 9,820 | 10,225 | 29.64% |
| 2014-15 | 9,793 | 10,241 | 30.10 |
| 2015-16 | 9,802 | 10,218 | 26.18 |
| 2016-17 ⁽³⁾ | 9,750 | 10,250 | 26.78 |

⁽¹⁾ Except for fiscal year 2016-17, reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is each four week period of instruction beginning with the first day of school for any school district. Includes County operated programs.

⁽²⁾ Fiscal years 2013-14 through 2015-16 reflect certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System (“CALPADS”) in each school year and used to calculate each school district’s unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the California Department of Education. CALPADS figures exclude preschool and adult transitional students. For purposes of calculating Supplemental and Concentration Grants, a school district’s fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district’s percentage of unduplicated EL/LI students is based on a rolling average of such district’s EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

⁽³⁾ Projected.

Source: Roseville Joint Union High School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target (“ERT”) add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of a 1.94% COLA in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the LCFF implementation period. The School District does not qualify for the ERT add-on.

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

Certain schools districts, known as “basic aid” districts, have allocable local property tax collections that equal or exceed such districts’ total LCFF allocation, and result in the receipt of no State apportionment aid. Basic aid school districts receive only special categorical funding, which is deemed to satisfy the “basic aid” requirement of \$120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for basic aid districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The School District does not currently qualify as a basic aid district.

Accountability. The State Board of Education has promulgated regulations regarding the expenditure of supplemental and concentration funding including a requirement that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, as well as the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

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

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

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district’s strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts achieve the goals set forth in their LCAPs. On or before October 1, 2015, the State Board of Education is required to develop rubrics to assess school district performance and the need for support and intervention.

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

Other State Sources. In addition to State allocations determined pursuant to the LCFF, the School District receives other State revenues consisting primarily of restricted revenues designed to

implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

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

Developer Fees. The School District maintains a fund, separate and apart from the general fund, to account for developer fees collected by the School District. Developer fees are used to finance the construction of school facilities. For fiscal years 2012-13, 2013-14 and 2014-15, the School District received \$4,125,147, \$3,825,784, and \$6,470,902, respectively. The School District estimates that it received \$6,782,084 of such revenues in fiscal year 2015-16, and budgets to receive \$5,719,712 in fiscal year 2016-17.

State Dissolution of Redevelopment Agencies

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

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

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, not to exceed \$250,000 in any year, to the extent such costs have been

approved in an administrative budget; then, fourth, tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth, distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

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

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

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

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

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. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

Comparative Financial Statements

The following table reflects the School District's general fund audited revenues, expenditures and changes in fund balances from fiscal year 2010-11 to fiscal year 2014-15.

AUDITED GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCES Fiscal Years 2010-11 through 2014-15 ⁽¹⁾ Roseville Joint Union High School District

| | <u>Fiscal Year 2010-11</u> | <u>Fiscal Year 2011-12</u> | <u>Fiscal Year 2012-13</u> | <u>Fiscal Year 2013-14</u> | <u>Fiscal Year 2014-15</u> |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| REVENUES | | | | | |
| Local Control Funding Formula (LCFF)/Revenue limit sources ⁽¹⁾ : | | | | | |
| State apportionment | \$16,608,995 | \$17,534,206 | \$17,693,024 | \$23,391,218 | \$27,218,214 |
| Local sources | <u>42,317,304</u> | <u>41,556,003</u> | <u>42,083,579</u> | <u>43,778,562</u> | <u>46,967,911</u> |
| Total LCFF/Revenue Limit | 58,926,299 | 59,090,209 | 59,776,603 | 67,169,780 | 74,186,125 |
| Federal sources | 4,941,801 | 2,385,304 | 2,383,255 | 2,117,763 | 2,750,361 |
| Other state sources | 7,063,131 | 6,213,608 | 6,693,642 | 5,518,383 | 6,787,654 |
| Other local sources | <u>5,104,998</u> | <u>5,097,179</u> | <u>5,703,001</u> | <u>5,803,189</u> | <u>6,772,862</u> |
| TOTAL REVENUES | 76,036,229 | 72,786,300 | 74,556,501 | 80,609,115 | 90,497,002 |
| EXPENDITURES | | | | | |
| Certificated salaries | 37,926,091 | 39,667,705 | 40,175,694 | 43,352,847 | 46,864,863 |
| Classified salaries | 9,596,184 | 9,922,882 | 10,152,927 | 10,949,018 | 12,264,981 |
| Employee benefits | 12,990,740 | 13,862,573 | 13,995,303 | 13,900,719 | 17,096,275 |
| Books and supplies | 3,743,177 | 3,810,808 | 3,872,213 | 5,341,658 | 5,359,570 |
| Contract services and operating expenditures | 5,403,822 | 5,725,172 | 5,524,850 | 6,004,845 | 7,784,292 |
| Capital outlay | 104,167 | 78,383 | 179,176 | 178,864 | 240,108 |
| Other outgo | 471,594 | 745,974 | 842,262 | 929,536 | 967,635 |
| Debt service: | | | | | |
| Principal retirement | 463,166 | 3,493,121 | 468,323 | 517,183 | 533,387 |
| Interest | <u>53,456</u> | <u>80,618</u> | <u>109,689</u> | <u>89,564</u> | <u>72,680</u> |
| TOTAL EXPENDITURES | 70,752,397 | 77,387,236 | 75,320,437 | 81,264,234 | 91,183,791 |
| Excess (Deficiency) of Revenues Over Expenditures | 5,283,832 | (4,600,936) | (763,936) | (655,119) | (686,789) |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 527,539 | 716,200 | 750,787 | 714,468 | 803,172 |
| Transfers out | (1,517,824) | (745,780) | (744,980) | (525,600) | (1,065,600) |
| Proceeds from the issuance of refunding debt | -- | 3,085,000 | -- | -- | -- |
| Proceeds from capital leases | -- | -- | <u>147,670</u> | -- | -- |
| Net Financing Sources (Uses) | (990,285) | 3,055,420 | 153,477 | 188,868 | (262,428) |
| NET CHANGE IN FUND BALANCE | 4,293,547 | (1,545,516) | (610,459) | (466,251) | (949,217) |
| Fund Balance, Beginning | <u>16,420,258</u> | <u>20,713,805</u> | <u>19,168,289</u> | <u>18,557,830</u> | <u>18,091,579</u> |
| Fund Balance, Ending | <u>\$20,713,805</u> | <u>\$19,168,289</u> | <u>\$18,557,830</u> | <u>\$18,091,579</u> | <u>\$17,142,362</u> |

⁽¹⁾ Beginning in fiscal year 2013-14, this category is coded Local Control Funding Formula.
Source: Roseville Joint Union High School District.

Budget Process

State Budgeting Requirements. The School District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 (“AB 1200”), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. The budget process has been further amended by subsequent amendments, including Senate Bill 97, which became law on September 26, 2013 (requiring budgets to include sufficient funds to implement local control and accountability plans), Senate Bill 858, which became law on June 20, 2014 (requiring budgets’ ending fund balances to exceed the minimum recommended reserve for economic uncertainties), and Assembly Bill 2585, which became State law on September 9, 2014 (eliminating the dual budget cycle option for school districts).

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

On or before August 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by August 15 of the county superintendent’s recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent’s recommendations. The committee must report its findings no later than August 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than September 22, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget may be disapproved.

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

Interim Financial Reporting. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that

will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current 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 subsequent two fiscal years.

The School District has never had an adopted budget disapproved by the county superintendent of schools, and has never received a “qualified” or “negative” certification of an Interim Financial Report pursuant to AB 1200.

General Fund Budget

The following table summarizes the School District’s adopted general fund budgets for fiscal years 2013-14 through 2016-17, audited statements of revenues, expenditures and changes in fund balance for fiscal years 2013-14 and 2014-15, and unaudited actuals for fiscal year 2015-16.

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COMPARISON OF GENERAL FUND BUDGETS AND ACTUAL RESULTS
Fiscal Years 2013-14 through 2016-17
Roseville Joint Union High School District

| | <u>2013-14 Adopted Budget⁽¹⁾</u> | <u>2013-14 Audited Actuals⁽¹⁾</u> | <u>2014-15 Adopted Budget⁽¹⁾</u> | <u>2014-15 Audited Actuals⁽¹⁾</u> | <u>2015-16 Adopted Budget⁽²⁾</u> | <u>2015-16 Unaudited Actuals⁽⁶⁾</u> | <u>2016-17 Adopted Budget⁽³⁾</u> |
|---|---|--|---|--|---|--|---|
| REVENUES | | | | | | | |
| LCFF sources | | | | | | | |
| State apportionments | \$10,043,462 | \$23,391,218 | \$30,827,104 | \$27,218,214 | \$35,763,637 | \$30,856,700 | \$34,967,929 |
| Local sources | <u>52,198,691</u> | <u>43,778,562</u> | <u>43,346,711</u> | <u>46,967,911</u> | <u>47,450,161</u> | <u>51,249,101</u> | <u>53,536,534</u> |
| Total LCFF sources | 62,242,153 | 67,169,780 | 74,173,815 | 74,186,125 | \$83,213,798 | \$82,105,801 | \$88,504,463 |
| Federal sources | 2,553,985 | 2,117,763 | 2,617,448 | 2,750,361 | 2,689,410 | 2,549,757 | 2,341,844 |
| Other state sources | 8,708,992 | 5,518,383 | 3,420,150 | 6,787,654 | 9,311,203 | 12,829,511 | 12,809,231 |
| Other local revenues | <u>5,548,390</u> | <u>5,803,189</u> | <u>5,788,281</u> | <u>6,772,862</u> | <u>5,821,468</u> | <u>6,684,862</u> | <u>5,475,919</u> |
| TOTAL REVENUES | 79,053,520 | 80,609,115 | 85,999,694 | 90,497,002 | 101,035,879 | 104,169,932 | 109,131,457 |
| EXPENDITURES | | | | | | | |
| Certificated salaries | 40,578,846 | 43,352,847 | 44,906,083 | 46,864,863 | 47,325,022 | 49,498,259 | 49,726,797 |
| Classified salaries | 10,396,420 | 10,949,018 | 11,928,983 | 12,264,981 | 12,864,949 | 13,197,235 | 13,612,756 |
| Employee benefits | 13,870,397 | 13,900,719 | 15,266,651 | 17,096,275 | 16,195,479 | 19,874,078 | 22,522,182 |
| Books and supplies | 4,578,230 | 5,341,658 | 6,585,098 | 5,359,570 | 6,347,386 | 6,969,698 | 7,374,272 |
| Contract services and operating expenditures | 10,727,891 | 6,004,845 | 10,017,437 | 7,784,292 | 11,531,901 | 7,369,746 | 14,271,950 |
| Capital outlay | 131,811 | 178,864 | 67,500 | 240,108 | 110,100 | 280,707 | 241,526 |
| Other outgo | 973,660 | 929,536 | 1,003,373 | 967,635 | 826,842 ⁽⁴⁾ | 926,578 ⁽⁴⁾ | 1,201,130 ⁽⁴⁾ |
| Debt service: | | | | | | | |
| Principal retirement | 490,000 | 517,183 | 505,000 | 533,387 | 525,000 | 554,644 | 540,000 |
| Interest | <u>83,840</u> | <u>89,564</u> | <u>68,160</u> | <u>72,680</u> | <u>52,000</u> | <u>55,264</u> | <u>35,200</u> |
| TOTAL EXPENDITURES | 81,831,095 | 81,264,234 | 90,348,285 | 91,183,791 | 95,778,679 | 98,726,207 | 109,525,813 |
| EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES | (2,777,575) | (655,119) | (4,348,591) | (686,789) | 5,257,200 | 5,443,724 | (394,356) |
| OTHER FINANCING SOURCES/(OTHER USES): | | | | | | | |
| Operating Transfers In | 759,402 | 714,468 | 764,451 | 803,172 | 577,000 | 577,000 | 575,200 |
| Operating Transfers Out | (744,980) | (525,600) | (945,600) | (1,065,600) | (845,000) | (3,095,000) ⁽⁵⁾ | (845,000) |
| Proceeds from capital leases | -- | -- | -- | -- | -- | -- | -- |
| TOTAL OTHER FINANCING SOURCES (USES) | 14,422 | 188,868 | (181,149) | (262,428) | (268,000) | (2,518,000) | (269,800) |
| NET CHANGE IN FUND BALANCE | (2,763,153) | (466,251) | (4,529,740) | (949,217) | 4,989,200 | 2,925,724 | (664,156) |
| FUND BALANCE, JULY 1 | <u>18,557,830</u> | <u>18,557,830</u> | <u>18,091,579</u> | <u>18,091,579</u> | <u>17,142,362</u> | <u>17,142,362</u> | <u>16,892,571</u> |
| FUND BALANCE, JUNE 30 | <u>\$15,794,677</u> | <u>\$18,091,579</u> | <u>\$13,561,839</u> | <u>\$17,142,362</u> | <u>\$22,131,562</u> | <u>\$20,068,853</u> | <u>\$16,228,415</u> |

⁽¹⁾ From the School District's comprehensive audited financial statements.

⁽²⁾ From the School District's Second Interim Financial Report adopted by the Board on March 8, 2016.

⁽³⁾ From the School District's Fiscal Year 2016-17 Budget adopted by the Board on June 14, 2016.

⁽⁴⁾ The categories Other Outgoing/Support/Adjs. And Direct Support/Indirect Costs To Other Funds were combined for comparison purposes.

⁽⁵⁾ The School District used approximately \$2.25 million in one-time State funds for certain capital facilities expenditures and to replace two school buses.

⁽⁶⁾ From the School District's Fiscal Year 2015-16 Unaudited Actuals adopted by the Board on September 8, 2016

Source: Roseville Joint Union High School District.

School District Debt Structure

Long-Term Debt. A schedule of changes in long-term debt for the fiscal year ended June 30, 2015 is shown below:

| | <u>Balance July 1, 2014</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 2015</u> |
|---|---------------------------------|--------------------|---------------------|----------------------------------|
| Governmental Activities | | | | |
| General Obligation Bonds (including accreted interest) | \$114,667,791 | \$2,505,574 | \$9,153,043 | \$108,020,322 |
| Unamortized premium | 9,817,581 | -- | 808,988 | 9,008,593 |
| Certificates of Participation | 2,130,000 | -- | 505,000 | 1,625,000 |
| Capital lease obligations | 117,164 | -- | 28,387 | 88,777 |
| Net pension liability ⁽¹⁾ | 85,609,000 | -- | 16,437,000 | 69,172,000 |
| Compensated absences | <u>177,031</u> | <u>145,810</u> | <u>--</u> | <u>322,841</u> |
| Total | <u>\$212,518,567</u> | <u>\$2,651,384</u> | <u>\$26,932,418</u> | <u>\$188,237,533</u> |

⁽¹⁾ Reflects the aggregate of the School District's proportionate share of the net pension liabilities for the STRS and PERS programs for fiscal year ending June 30, 2015. See also "ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT-- District Retirement Systems - GASB Statement Nos. 67 and 68" and Notes 7 and 8 to the fiscal year 2014-15 audited financial statements of the School District included as APPENDIX B hereto.

Source: Roseville Joint Union High School District.

Capital Leases. The School District has entered into certain capital lease agreements. The School District's liability on such lease agreements is summarized below:

ANNUAL LEASE PAYMENTS Capital Leases Roseville Joint Union High School District

| <u>Year Ending June 30</u> | <u>Lease Payments</u> |
|--------------------------------|---------------------------|
| 2017 | \$32,907 |
| 2018 | <u>28,773</u> |
| Total | <u>\$61,680</u> |

Source: Roseville Joint Union High School District.

Refunding Lease. On December 21, 2011, the School District executed and delivered its 2011 Refunding Lease through a private placement with Capital One Public Funding, LLC. The proceeds of the 2011 Refunding Lease were utilized to refinance its outstanding variable rate Certificates of Participation (2003 Projects). The semi-annual lease payments required under the 2011 Refunding Lease are as follows:

| <u>Period Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Annual Payments</u> |
|--------------------------|--------------------|-----------------|----------------------------------|
| 2/1/2017 | \$540,000 | \$17,600 | \$575,200 |
| 8/1/2017 | -- | 8,960 | -- |
| 2/1/2018 | <u>560,000</u> | <u>8,960</u> | <u>577,920</u> |
| Total | <u>\$1,100,000</u> | <u>\$35,520</u> | <u>\$1,153,120</u> |

Source: Roseville Joint Union High School District.

General Obligation Bonds. The School District received authorization at an election held on June 4, 1991, by at least two-thirds of the votes cast by eligible voters within the School District, to issue \$51,000,000 maximum principal amount of general obligation bonds (the “1991 Authorization”). The School District issued an initial series of bonds (the “Series A Bonds”) in July 1992 in the original principal amount of \$13,793,791.50, a second series of bonds (the “Series B Bonds”) in June 1995 in the original principal amount of \$19,030,284.10, a third series of bonds (the “Series C Bonds”) in July 1998 in the original principal amount of \$4,995,895.40, a fourth series of bonds (the “Series D Bonds”) in July 1999 in the original principal amount of \$3,000,841.15, and a fifth series of bonds (the “Series E Bonds”) in August 2001 in the original principal amount of \$10,175,000. On August 30, 2011, the School District issued \$8,020,000 of 2011 General Obligation Refunding Bonds (the “2011 Refunding Bonds”) which refunded all of the then-outstanding Series E Bonds. A portion of the 2011 Refunding Bonds will be refunded from the proceeds of the Series A Refunding Bonds. There is no more principal remaining from the 1991 Authorization for the issuance of additional general obligation bonds.

The School District received authorization at an election held on November 2, 2004, by at least 55% of the votes cast by eligible voters within the School District, to issue \$79,000,000 maximum principal amount of general obligation bonds (the “2004 Authorization”). The School District issued an initial series of bonds (the “2004 Series A Bonds”) in April 2005 in the original principal amount of \$26,000,000. The School District issued a second series of bonds (the “2004 Series B Bonds”) in July 2006 in the original principal amount of \$25,000,000. The School District issued a third series of bonds (the “2004 Series C Bonds”) in May 2007 in the original principal amount of \$27,997,958.85. On April 4, 2013, the School District issued its 2013 General Obligation Refunding Bonds (the “2013 Refunding Bonds”) in the original principal amount of \$54,185,000 for the purpose of refunding portions of the 2004 Series A Bonds, 2004 Series B Bonds and 2004 Series C Bonds. There is no more principal remaining from the 2004 Authorization for the issuance of additional general obligation bonds.

The School District has placed a new general obligation bond measure on the November 8, 2016 ballot. If approved by the requisite vote of at least fifty-five percent of the persons voting on the proposition, the School District would be authorized to issue up to an additional \$96,000,000 of general obligation bonds.

The table on the following page indicates the annual debt service for all of the School District’s currently outstanding general obligation bonds.

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GENERAL OBLIGATION BONDED DEBT SERVICE
Roseville Joint Union High School District

| <u>August 1</u> | <u>Series A Bonds Debt Service⁽¹⁾</u> | <u>Series B Bonds Debt Service⁽²⁾</u> | <u>Series C Bonds Debt Service⁽³⁾</u> | <u>Series D Bonds Debt Service⁽⁴⁾</u> | <u>2004 Series C Debt Service</u> | <u>2011 Refunding Bonds⁽⁵⁾</u> | <u>2013 Refunding Bonds</u> | <u>Series A Refunding Bonds</u> | <u>Combined Debt Service</u> |
|-----------------|--|--|--|--|---------------------------------------|---|---------------------------------|-------------------------------------|----------------------------------|
| 2017 | \$3,120,000.00 | \$2,575,251.00 | \$445,000.00 | \$270,000.00 | -- | \$535,750.00 | \$6,680,450.00 | \$181,442.22 | \$13,807,893.22 |
| 2018 | -- | 2,700,979.20 | 455,000.00 | 275,000.00 | -- | 553,950.00 | 7,011,250.00 | 181,500.00 | 11,177,679.20 |
| 2019 | -- | 2,837,195.90 | 470,000.00 | 285,000.00 | -- | 575,750.00 | 7,361,450.00 | 185,800.00 | 11,715,195.90 |
| 2020 | -- | 2,980,000.00 | 480,000.00 | 290,000.00 | -- | 591,000.00 | 7,729,450.00 | 185,000.00 | 12,255,450.00 |
| 2021 | -- | -- | 495,000.00 | 300,000.00 | -- | 614,250.00 | 8,115,950.00 | 184,200.00 | 9,709,400.00 |
| 2022 | -- | -- | 505,000.00 | 305,000.00 | -- | -- | 8,523,450.00 | 818,400.00 | 10,151,850.00 |
| 2023 | -- | -- | 515,000.00 | 315,000.00 | -- | -- | 8,953,500.00 | 836,400.00 | 10,619,900.00 |
| 2024 | -- | -- | -- | 320,000.00 | 2,515,000.00 | -- | 1,260,000.00 | 857,600.00 | 4,952,600.00 |
| 2025 | -- | -- | -- | -- | 2,645,000.00 | -- | -- | 881,800.00 | 3,526,800.00 |
| 2026 | -- | -- | -- | -- | 2,775,000.00 | -- | -- | 618,800.00 | 3,393,800.00 |
| 2027 | -- | -- | -- | -- | 2,915,000.00 | -- | -- | -- | 2,915,000.00 |
| 2028 | -- | -- | -- | -- | 3,060,000.00 | -- | -- | -- | 3,060,000.00 |
| 2029 | -- | -- | -- | -- | 3,215,000.00 | -- | -- | -- | 3,215,000.00 |
| 2030 | -- | -- | -- | -- | 4,205,000.00 | -- | -- | -- | 4,205,000.00 |
| 2031 | -- | -- | -- | -- | 6,815,000.00 | -- | -- | -- | 6,815,000.00 |
| Total | <u>\$3,120,000.00</u> | <u>\$11,093,426.10</u> | <u>\$3,365,000.00</u> | <u>\$2,360,000.00</u> | <u>\$28,145,000.00</u> | <u>\$2,870,700.00</u> | <u>\$55,635,500.00</u> | <u>\$4,930,942.22</u> | <u>\$111,520,568.32</u> |

⁽¹⁾ Interest on the Series A Bonds is payable on February 1 and August 1. Principal and accreted value is payable on August 1.

⁽²⁾ For the Capital Appreciation Series B Serial Bonds, interest is compounded on February 1 and August 1 and accreted value is payable on August 1. For the Capital Appreciation Series B Term Bonds, interest is compounded on December 1 and June 1 and accreted value is payable on June 1.

⁽³⁾ For the Capital Appreciation Series C Bonds maturing August 1, 2013, to August 1, 2022, interest is compounded on February 1 and August 1 and accreted value is payable on August 1. For the Capital Appreciation Series C Bonds maturing July 1, 2023, interest is compounded on January 1 and July 1 and accreted value is payable on July 1.

⁽⁴⁾ For the Capital Appreciation Series D Bonds maturing August 1, 2013, to August 1, 2023, interest is compounded on February 1 and August 1 and accreted value is payable on August 1. For the Capital Appreciation Series D Bonds maturing July 1, 2024, interest is compounded on January 1 and July 1 and accreted value is payable on July 1.

⁽⁵⁾ Does not include debt service on the 2011 Refunding Bonds expected to be refunded with proceeds of the Series A Refunding Bonds.

Source: Roseville Joint Union High School District.

Schools Facilities Improvement District No. 1. At an election held on April 24, 2007, eligible voters within the Improvement District approved a measure to authorize the issuance of not to exceed \$115,000,000 of general obligation bonds to finance the construction of a new high school, acquire land, and install infrastructure (the “2007 Authorization”). The School District issued its initial series of bonds (the “Series 2011A Bonds”) in May 2011 in the original principal amount of \$4,885,623.95. The Improvement District has \$110,114,376.05 of remaining authorization under the 2007 Authorization. A portion of the Series 2011A Bonds will be refunded from proceeds of the Series B Refunding Bonds.

The following table indicates the annual debt service for all of the Improvement District’s currently outstanding general obligation bonds.

**GENERAL OBLIGATION BONDED DEBT SERVICE
Roseville Joint Union High School District
School Facilities Improvement District No. 1**

| <u>August 1</u> | <u>2011A Bonds⁽¹⁾</u> | <u>Series B Refunding Bonds</u> | <u>Combined Debt Service</u> |
|-----------------|----------------------------------|-------------------------------------|----------------------------------|
| 2017 | \$40,000.00 | \$193,780.28 | \$233,780.28 |
| 2018 | 50,000.00 | 192,962.50 | 242,962.50 |
| 2019 | 65,000.00 | 191,962.50 | 256,962.50 |
| 2020 | 85,000.00 | 190,962.50 | 275,962.50 |
| 2021 | 100,000.00 | 194,962.50 | 294,962.50 |
| 2022 | 115,000.00 | 193,862.50 | 308,862.50 |
| 2023 | -- | 327,762.50 | 327,762.50 |
| 2024 | -- | 347,062.50 | 347,062.50 |
| 2025 | -- | 370,612.50 | 370,612.50 |
| 2026 | -- | 393,262.50 | 393,262.50 |
| 2027 | -- | 415,012.50 | 415,012.50 |
| 2028 | -- | 440,862.50 | 440,862.50 |
| 2029 | -- | 464,062.50 | 464,062.50 |
| 2030 | -- | 496,200.00 | 496,200.00 |
| 2031 | -- | 526,200.00 | 526,200.00 |
| 2032 | -- | 556,200.00 | 556,200.00 |
| 2033 | -- | 591,200.00 | 591,200.00 |
| 2034 | -- | 626,200.00 | 626,200.00 |
| 2035 | -- | 666,200.00 | 666,200.00 |
| 2036 | -- | 703,000.00 | 703,000.00 |
| 2037 | -- | 747,400.00 | 747,400.00 |
| 2038 | -- | <u>234,000.00</u> | <u>234,000.00</u> |
| | <u>\$455,000.00</u> | <u>\$9,063,730.28</u> | <u>\$9,518,730.28</u> |

⁽¹⁾ Does not include debt service on the 2011A Bonds expected to be refunded with proceeds of the Series B Refunding Bonds.
Source: Roseville Joint Union High School District.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1

General Description

On January 16, 2007, the Improvement District was established by the Board of Trustees of the School District pursuant to its Resolution No. 0701 and the Act. With respect to the authorization for the Bonds, the Board ordered an election of the registered voters residing in the territory of the Improvement District, which was held on April 24, 2007. At this election, 91.67% of the voters voting on the measure approved the issuance of not-to-exceed \$115,000,000 principal amount of general obligation bonds for the Improvement District. On May 18, 2011, the School District issued, on behalf of the Improvement

District, the first series of bonds under the 2007 Authorization in the aggregate principal amount of \$4,885,623.95. The Improvement District has \$110,114,376.05 of remaining authorization under the 2007 Authorization.

Location and Territory

The Improvement District is located in the northwest portion of the School District, and includes portions of the City of Roseville and adjacent unincorporated territory of the County. The Improvement District encompasses approximately 11.8 square miles, representing approximately 16.4% of the territory of the School District. For fiscal year 2016-17, the assessed valuation of taxable property within the boundaries of the Improvement District is \$1,626,591,188. The assessed valuation of the Improvement District accounts for approximately 5.5% of the total assessed valuation of taxable property in the School District based on the fiscal year 2016-16 assessed valuations.

Specific area plans approved by the City of Roseville would permit the development within the Improvement District of about 21,500 residential units and about 8.3 million square feet of nonresidential building space.

Governing Board

The Board of Trustees of the School District serves as the governing board of the Improvement District. See “ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT – Administration” herein.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

The information in this section concerning the operations of the School District and the School District’s finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal and Accreted Value of and interest on the Bonds is payable from the general fund of the School District. The Bonds are payable only from the revenues generated by ad valorem property taxes levied by the Counties for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.

Introduction

The School District, located in California’s Sacramento Valley, serves the City of Roseville and certain unincorporated areas of Placer and Sacramento Counties, and encompasses approximately 72 square miles. The School District currently has five comprehensive high schools for grades 9-12, a continuation school for students 16 years and older, one adult education school and an independent study program. The School District serves a population of approximately 169,832 residents and has a projected average daily attendance (“ADA”) for fiscal year 2016-17 of 9,750 students. The School District also operates an adult school which serves approximately 2,000 adults annually. For fiscal year 2015-16, the assessed valuation of taxable property within the School District is \$24,837,337,210.

Administration

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

| <u>Name</u> | <u>Office</u> | <u>Term Expires</u> |
|-----------------|----------------|---------------------|
| Paige K. Stauss | President | November 2016 |
| Scott E. Huber | Vice President | November 2018 |
| R. Jan Pinney | Clerk | November 2016 |
| Rene Aguilera | Member | November 2016 |
| Linda M. Park | Member | November 2018 |

The management and policies of the School District are administered by the Superintendent appointed by the Board, who is responsible for the day-to-day School District operations, as well as the supervision of the School District's other personnel. Ron Severson currently serves as the School District's Superintendent and Joe Landon is the Assistant Superintendent, Business Services.

Brief biographies of the Superintendent and the Assistant Superintendent, Business Services follow:

Ron Severson, Superintendent. Mr. Severson joined the School District in July 1995 and became Superintendent in July of 2014. Mr. Severson was formerly the Deputy Superintendent, the Assistant Superintendent of Personnel, and the Executive Director of Curriculum and Instruction for the School District. Prior to moving to the district office in 2006, Mr. Severson served for 11 years as the original principal who opened Granite Bay High School for the School District in 1996. Mr. Severson has also served as a high school principal for the Pajaro Valley Unified School District and served as a social science teacher, Activities Director and Assistant Principal for the North Monterey Unified School District. Mr. Severson serves on the boards of NEXT-Ed (linking schools and economic development) and for the Schools Insurance Group, a local consortium that provides health care and insurance to districts in the region. Mr. Severson received a B.A. in Political Science and a teaching credential from California State University, Fullerton, and an Administrative Credential and Masters in Educational Leadership from San Jose State University. Mr. Severson also serves as an adjunct professor for the Master's Program in Educational Leadership for National University.

Joe Landon, CPA, Assistant Superintendent, Business Services. Mr. Landon joined the School District in February, 2011 as the Director of Accounting. In November, 2013, Mr. Landon was promoted to Executive Director, Business Services, and then into his current position in January, 2016. Mr. Landon was formerly a Senior Accountant at SureWest Communications, a Telecommunications company in Roseville, California, and an auditor at Ernst & Young, LLP. Mr. Landon has been a licensed certified public accountant since March, 2007 and a certified chief business official since May, 2013. Mr. Landon received a Bachelor's in Accounting and Finance and a Master's in Accounting from Florida State University.

Enrollment Trends

The current student-teacher ratio in the School District is 26.5:1. The following table shows a 8-year enrollment history for the School District and budgeted amount for fiscal year 2016-17.

ANNUAL ENROLLMENT
Fiscal Years 2008-09 through 2016-17
Roseville Joint Union High School District

| <u>Year</u> | <u>Enrollment</u> | <u>Annual Change</u> | <u>Annual % Change</u> |
|------------------------|-------------------|----------------------|------------------------|
| 2008-09 | 9,534 | -- | -- |
| 2009-10 | 9,853 | 319 | 3.35% |
| 2010-11 | 10,074 | 221 | 2.24 |
| 2011-12 | 10,084 | 10 | 0.10 |
| 2012-13 | 10,229 | 145 | 1.44 |
| 2013-14 | 10,255 | 26 | 0.25 |
| 2014-15 | 10,241 | (14) | (0.14) |
| 2015-16 | 10,218 | (23) | (0.22) |
| 2016-17 ⁽¹⁾ | 10,250 | 32 | 0.31 |

Note: Enrollment as of October CBEDS for fiscal years 2008-09 through 2012-13. For fiscal years 2013-14 through 2015-16, enrollment as reported to CALPADS as of the fall census day in each school year.

⁽¹⁾ Budgeted.

Source: Roseville Joint Union High School District.

Charter School

Charter schools are largely independent schools operating as part of the public school system created pursuant to Part 26.8 (beginning with Section 47600) of Division 4 of Title 2 of the State Education Code (the “Charter School Law”). A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and may be approved by an existing local public school district, a county board of education, or the State Board of Education.

A charter school is generally exempt from the laws governing school districts, except where specifically noted in the law. The Charter School Law acknowledges that among its intended purposes are: (i) to provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; (ii) to hold schools accountable for meeting measurable pupil outcomes and provide schools a way to shift from a rule-based to a performance-based system of accountability; and (iii) to provide competition within the public school system to stimulate improvements in all public schools.

The District has certain fiscal oversight and other responsibilities with respect to both independent and affiliated charter schools established within its boundaries. However, independent charter schools receive funding directly from the State, and such funding would not be reported in the District’s audited financial statements. Affiliated charter schools receive their funding from the District, and would be reflected in the District’s audited financial statements.

On February 9, 2016, the Board granted a charter to Century High School (the “Charter School”) to operate an independent charter school serving grades 9-12 in the Roseville area. The Charter School is scheduled to open in August 2017 with an enrollment of approximately 150 students, however, the Charter School has yet to identify a site for its school. The School District can make no representations regarding how many School District students will transfer to the Charter School in the future or back to

the School District from the Charter School, and the corresponding financial impact on the School District.

Labor Relations

The School District currently employs 469 full-time certificated professionals as well as 164 full-time classified employees. The School District also employs 171 part-time faculty and staff. District employees, except management and some part-time employees, are represented by two employee bargaining units as follows:

**LABOR BARGAINING UNITS
Roseville Joint Union High School District**

| <u>Labor Organization</u> | <u>Number of Employees In Organization</u> | <u>Contract Expiration Date</u> |
|---|--|-------------------------------------|
| California School Employees Association | 275 | June 30, 2017 |
| Roseville Secondary Education Association | 441 | June 30, 2017 |

Source: Roseville Joint Union High School District.

District Retirement Systems

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 to be construed as a representation by either the School District, the Financial Advisor or the Underwriter.

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

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

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

**MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)**

| <u>Effective Date</u> | <u>STRS Members Hired Prior to January 1, 2013</u> | <u>STRS Members Hired After January 1, 2013</u> |
|-----------------------|--|---|
| July 1, 2014 | 8.150% | 8.150% |
| July 1, 2015 | 9.200 | 8.560 |
| July 1, 2016 | 10.250 | 9.205 |

Source: AB 1469.

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

**K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)**

| <u>Effective Date</u> | <u>K-14 school districts</u> |
|-----------------------|------------------------------|
| July 1, 2014 | 8.88% |
| July 1, 2015 | 10.73 |
| July 1, 2016 | 12.58 |
| July 1, 2017 | 14.43 |
| July 1, 2018 | 16.28 |
| July 1, 2019 | 18.13 |
| July 1, 2020 | 19.10 |

Source: AB 1469.

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

The School District's contributions to STRS were \$3,316,213 in fiscal year 2011-12, \$3,375,974 in fiscal year 2012-13, \$3,643,447 in fiscal year 2013-14 and \$4,235,196 in fiscal year 2014-15. The School District has estimated a contribution of \$5,358,890 to STRS for fiscal year 2015-16 and has budgeted a contribution of \$6,385,542 for fiscal year 2016-17.

The State also contributes to STRS, currently in an amount equal to 4.891% of teacher payroll for fiscal year 2015-16. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Pursuant to AB 1469, the State contribution rate will increase over a three year period to a total of 6.328% in fiscal year 2016-17. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2014 included 1,580 public agencies and 1,513 K-14 school districts. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The School District is currently required to contribute to PERS at an actuarially determined rate, which is 11.847% of eligible salary expenditures for fiscal year 2015-16 and 13.888% in fiscal year 2016-17. Participants enrolled in PERS prior to January 1, 2013 contribute 7% of their respective salaries, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 6% of their respective salaries for fiscal year 2015-16 and fiscal year 2016-17. See "— California Public Employees' Pension Reform Act of 2013" herein.

The School District's contributions to PERS were \$1,026,561 in fiscal year 2011-12, \$1,084,011 in fiscal year 2012-13, \$1,188,125 in fiscal year 2013-14 and \$1,365,823 in fiscal year 2014-15. The School District has estimated a contribution of \$1,482,554 to PERS for fiscal year 2015-16 and has budgeted a contribution of \$1,633,531 for fiscal year 2016-17.

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

PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

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

FUNDED STATUS
STRS (Defined Benefit Program) and PERS
(Dollar Amounts in Millions) ⁽¹⁾
Fiscal Years 2010-11 through 2014-15

| <u>STRS</u> | | | | | |
|--------------------|--------------------------|---|---|---|--|
| <u>Fiscal Year</u> | <u>Accrued Liability</u> | <u>Value of Trust Assets (MVA) ⁽²⁾</u> | <u>Unfunded Liability (MVA) ⁽²⁾⁽³⁾</u> | <u>Value of Trust Assets (AVA) ⁽⁴⁾</u> | <u>Unfunded Liability (AVA) ⁽⁴⁾</u> |
| 2010-11 | \$208,405 | \$147,140 | \$68,365 | \$143,930 | \$64,475 |
| 2011-12 | 215,189 | 143,118 | 80,354 | 144,232 | 70,957 |
| 2012-13 | 222,281 | 157,176 | 74,374 | 148,614 | 73,667 |
| 2013-14 | 231,213 | 179,749 | 61,807 | 158,495 | 72,718 |
| 2014-15 | 241,753 | 180,633 | 72,626 | 165,553 | 76,200 |

| <u>PERS</u> | | | | | |
|------------------------|--------------------------|---|--|---|--|
| <u>Fiscal Year</u> | <u>Accrued Liability</u> | <u>Value of Trust Assets (MVA) ⁽²⁾</u> | <u>Unfunded Liability (MVA) ⁽²⁾</u> | <u>Value of Trust Assets (AVA) ⁽⁴⁾</u> | <u>Unfunded Liability (AVA) ⁽⁴⁾</u> |
| 2010-11 | \$58,358 | \$45,901 | \$12,457 | \$51,547 | \$6,811 |
| 2011-12 | 59,439 | 44,854 | 14,585 | 53,791 | 5,648 |
| 2012-13 | 61,487 | 49,482 | 12,005 | 56,250 | 5,237 |
| 2013-14 | 65,600 | 56,838 | 8,761 | -- ⁽⁵⁾ | -- ⁽⁵⁾ |
| 2014-15 ⁽⁶⁾ | 73,325 | 56,814 | 16,511 | -- ⁽⁵⁾ | -- ⁽⁵⁾ |

⁽¹⁾ Amounts may not add due to rounding.

⁽²⁾ Reflects market value of assets.

⁽³⁾ Excludes assets allocated to the SBPA reserve.

⁽⁴⁾ Reflects actuarial value of assets.

⁽⁵⁾ Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

⁽⁶⁾ On April 19, 2016, the PERS Finance & Administration Committee approved the K-14 school district contribution rate for fiscal year 2016-17 and released certain actuarial information to be incorporated into the June 30, 2015 actuarial valuation to be released in summer 2016.

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

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. The following are certain of the actuarial assumptions adopted by the STRS Board with respect to the STRS Defined Benefit Program Actuarial Valuation for fiscal year 2014-15: measurement of accruing costs by the “Entry Age Normal Actuarial Cost Method,” 7.50% investment rate of return (net of investment and administrative expenses), 4.50% interest on member accounts, 3.75% projected wage growth, and 3.00% projected inflation. According to the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2015, the future revenue from

contributions and appropriations for the STRS Defined Benefit Program was projected to be sufficient to finance its obligations. This finding reflects the scheduled contribution increases specified in AB 1469 and is based on the valuation assumptions and the valuation policy adopted by the STRS Board.

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

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. As one consequence of such decrease, the annual contribution amounts paid by PERS member public agencies, including the School District, have been increased by 1 to 2% for miscellaneous plans and by 2 to 3% for safety plans beginning in fiscal year 2013-14. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board voted to reduce the PERS Discount Rate to 6.5% over a period of 20 years. This change could result in increased contributions over time from both employers and employees.

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

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

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

California Public Employees’ Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees’ Pension Reform Act of 2013 (the “Reform Act”), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the “Implementation Date”). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and

STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps “pensionable compensation” for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 (“Statements”) with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government’s balance sheet (currently, such unfunded liabilities are typically included as notes to the government’s financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the School District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the School District, took effect for the fiscal year beginning July 1, 2014. The following table presents the School’s District’s deferred outflow of resources, deferred inflow of resources, net pension liability and pension expense for both STRS and PERS for fiscal year 2014-15.

| | <u>STRS</u> | <u>PERS</u> | <u>Total</u> |
|--------------------------------|-------------|-------------|--------------|
| Deferred outflows of resources | \$4,235,196 | \$1,743,626 | \$5,978,822 |
| Deferred inflow of resources | 14,268,000 | 3,859,000 | 18,127,000 |
| Net pension liability | 57,942,000 | 11,230,000 | 69,172,000 |
| Pension expense | 5,852,449 | 1,123,125 | 6,975,574 |

Source: Roseville Joint Union High School District.

For more information, see Notes 1, 7 and 8 to the fiscal year 2014-15 audited financial statements of the School District included as APPENDIX B hereto.

Other Post-Employment Benefits

The School District does not provide employees with other post-employment benefits.

Risk Management

The School District is a member of Schools Insurance Group (“SIG”), a Joint Powers Authority (“JPA”), for the operation of a common risk management and insurance program. SIG is governed by a governing board consisting of representatives of member districts. The governing board controls the operations of SIG, including selections of management and approval of operating budgets. SIG provides first dollar coverage and insure risk up to statutory limits. 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 coverage in the prior year.

The School District is also a member of School Project for Utility Rate Reduction (“SPURR”), a JPA. SPURR is governed by a governing board consisting of representatives from member districts. The governing board controls the operations of SPURR including selections of management and approval of operating budgets. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year.

The relationship between the School District and JPAs is such that the JPAs are not component units of the School District for financial reporting purposes.

For more information, see Note 9 to the fiscal year 2014-15 audited financial statements of the School District included as APPENDIX B hereto.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner’s basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel’s opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the School District and others and is subject to the condition that the School District complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the

issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The School District has covenanted to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE INTEREST ON THE BONDS OR THE MARKET VALUE OF THE BONDS. LEGISLATIVE CHANGES HAVE BEEN PROPOSED IN CONGRESS, WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME TAX BEING IMPOSED ON CERTAIN OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS SUCH AS THE BONDS. THE INTRODUCTION OR ENACTMENT OF ANY SUCH CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT, SUBSEQUENT TO THE ISSUANCE OF THE BONDS, SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolutions and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the School District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

Copies of the proposed forms of opinion of Bond Counsel for the Bonds are attached hereto as APPENDIX A.

LEGAL MATTERS

Continuing Disclosure

Current Undertaking. In connection with the issuance of the Bonds, the School District has covenanted for the benefit of bondholders (including Beneficial Owners of the Bonds) to provide certain financial information and operating data relating to the School District and, with respect to the Series B Refunding Bonds, certain information relating to the Improvement District (the “Annual Reports”) by not later than eight months following the end of the School District’s fiscal year (which currently ends June 30), commencing with the report for the 2015-16 fiscal year (which is due no later than March 1, 2017), and to provide notices of the occurrence of certain enumerated events. The Annual Reports and notices of listed events will be filed by the School District in accordance with the requirements of the Rule. The specific nature of the information to be made available and to be contained in the notices of material events is described in the form of Continuing Disclosure Certificate attached hereto as APPENDIX C. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Previous Undertakings. In connection with prior bond issues, the District has undertaken to provide certain financial information and operating data relating to the School District and the Improvement District. In the past five years, the District has instances of failures to comply with these undertakings, as described below:

- The District failed to file all or a portion of its annual report for fiscal year 2010-11 in a timely manner (approximately eight days late with respect to certain portions of the report for the Series 2011A Bonds approximately one year late for the Series C Bonds and 2011 Refunding Bonds), as required by certain of its then-existing continuing disclosure obligations.
- The District failed to file a portion its annual report for fiscal year 2011-12 in a timely manner (approximately four days late), as required by its then-existing continuing disclosure obligations. In addition, with respect to the 2011-12 annual report, the District failed to associate such report with certain CUSIPS with respect to the Series D Bonds and 2004 Series C Bonds and all maturities for the Series C Bonds.
- The District failed to file its annual report for fiscal year 2012-13 in a timely manner (approximately four days late), as required by its then-existing continuing disclosure obligations. In addition, with respect to the 2012-13 annual report, the District failed to associate such report with certain CUSIPS with respect to the 2004 Series C Bonds and all maturities for the Series C Bonds.

- The District failed to file its annual report for fiscal year 2013-14 in a timely manner (approximately seven months late), as required by its then-existing continuing disclosure obligations, except the Series 2011A Bonds.
- The District failed to file its annual report for fiscal year 2014-15 in a timely manner (approximately four days late), as required by its then-existing continuing disclosure obligations, except the Series C Bonds and Series D Bonds.
- Within the past five years, the District has failed to file certain notices of listed events, as required by its existing continuing disclosure undertakings.
- In connection with the annual reports described above, and within the last five years, the District has never filed a notice of a failure to provide annual financial information, on or before the date specified in its prior continuing disclosure undertakings.

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

Legality for Investment in California

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

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

Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Code, as amended by TIPRA, interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Legal Opinions

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel. Copies of the proposed forms of such legal opinions are attached to this Official Statement as APPENDIX A.

Verification

Upon delivery of the Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriter relating to (a) the adequacy of the maturing principal of and interest on the Federal Securities in the (i) Series A Escrow Fund, together with any moneys held therein as cash, to pay the redemption price of and interest on the Refunded 2011 Refunding Bonds and (ii) Series B Escrow Fund, together with any moneys held therein as cash, to pay the Accreted Value of the Refunded Series 2011A Bonds, and (b) the computations of yield of the Bonds and the Federal Securities in the Escrow Funds which support Bond Counsel's opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes.

Financial Statements

The School District's audited financial statements with supplemental information for the year ended June 30, 2015, the independent auditor's report of the School District, and the related statements of activities and of cash flows for the year then ended, and the report of Crowe Horwath LLP (the "Auditor") dated November 20, 2015, are attached to this Official Statement as APPENDIX B. 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.

RATINGS

Moody's has assigned a ratings of "Aa2" to the Series A Refunding Bonds and "Aa3" to the Series B Refunding Bonds. Such ratings reflect only the views of such organization and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, 7 World Trade Center at 250 Greenwich, New York, New York 10007. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the School District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the respective rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price for the Bonds.

The School District has covenanted in a Continuing Disclosure Certificate to file on EMMA, notices of any rating changes on the Bonds. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agency prior to such information

being provided to the School District and prior to the date the School District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the rating agency and its website and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), has agreed, pursuant to a purchase contract by and between the School District and the Underwriter, to purchase all of the Series A Refunding Bonds for a purchase price of \$4,513,723.80 (equal to the principal amount of the Series A Refunding Bonds of \$3,800,000.00, plus net original issue premium of \$738,423.80, less an underwriting discount of \$24,700.00).

The Underwriter has agreed, pursuant to a purchase contract by and between the School District and the Underwriter, to purchase all of the Series B Refunding Bonds for a purchase price of \$6,248,744.44 (equal to the principal amount of the Series B Refunding Bonds of \$5,872,855.80, plus net original issue premium of \$414,062.20, less an underwriting discount of \$38,173.56).

The purchase contracts related to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the purchase contract, the approval of certain legal matters by Bond Counsel and certain other conditions. The initial offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

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ADDITIONAL INFORMATION

Quotations from and summaries and explanations of the Bonds, the Resolutions providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

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

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only 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 Owners, beneficial or otherwise, of any of the Bonds.

This Official Statement and the delivery thereof have been duly approved and authorized by the School District.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

By: /s/ Joe Landon
Assistant Superintendent, Business Services

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APPENDIX A

FORMS OF OPINIONS OF BOND COUNSEL

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

October 5, 2016

Board of Trustees
Roseville Joint Union High School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$3,800,000 Roseville Joint Union High School District (Placer and Sacramento Counties, California) 2016 General Obligation Refunding Bonds, Series A (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Trustees of the Roseville Joint Union High School District (the "District").
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.
4. Interest on the Bonds is exempt from State of California personal income tax.
5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will

accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of bond counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitation on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

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

October 5, 2016

Board of Trustees
Roseville Joint Union High School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$5,872,855.80 Roseville Joint Union High School District (Placer and Sacramento Counties, California) 2016 General Obligation Refunding Bonds, Series B (School Facilities Improvement District No. 1) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Trustees of the Roseville Joint Union High School District (the "District").
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the Schools Facilities Improvement District No. 1 of the Roseville Joint Union High School District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.
4. Interest on the Bonds is exempt from State of California personal income tax.
5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. For purposes of the previous sentence, the stated redemption price at maturity includes the aggregate sum of all debt service payments on Capital Appreciation Bonds. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount

deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of bond counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitation on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

APPENDIX B

THE 2014-15 AUDITED FINANCIAL STATEMENTS OF THE SCHOOL DISTRICT

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ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
Roseville, California

FINANCIAL STATEMENTS
June 30, 2015

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015
(Continued)

CONTENTS

| | |
|--|----|
| INDEPENDENT AUDITOR'S REPORT..... | 1 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS..... | 4 |
| BASIC FINANCIAL STATEMENTS: | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS: | |
| STATEMENT OF NET POSITION..... | 17 |
| STATEMENT OF ACTIVITIES..... | 18 |
| FUND FINANCIAL STATEMENTS: | |
| BALANCE SHEET - GOVERNMENTAL FUNDS..... | 19 |
| RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION..... | 20 |
| STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS..... | 21 |
| RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES..... | 22 |
| STATEMENT OF FIDUCIARY NET POSITION - TRUST AND AGENCY FUNDS..... | 23 |
| STATEMENT OF CHANGE IN FIDUCIARY NET POSITION - TRUST FUND..... | 24 |
| NOTES TO FINANCIAL STATEMENTS..... | 25 |
| REQUIRED SUPPLEMENTARY INFORMATION: | |
| GENERAL FUND BUDGETARY COMPARISON SCHEDULE..... | 57 |
| SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY..... | 58 |
| SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS..... | 60 |
| NOTE TO REQUIRED SUPPLEMENTARY INFORMATION..... | 62 |

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

CONTENTS

SUPPLEMENTARY INFORMATION:

| | |
|--|----|
| COMBINING BALANCE SHEET - ALL NON-MAJOR FUNDS..... | 63 |
| COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - ALL NON-MAJOR FUNDS..... | 64 |
| COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS..... | 65 |
| ORGANIZATION..... | 68 |
| SCHEDULE OF AVERAGE DAILY ATTENDANCE..... | 69 |
| SCHEDULE OF INSTRUCTIONAL TIME..... | 70 |
| SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS..... | 71 |
| RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS..... | 72 |
| SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS - UNAUDITED..... | 73 |
| SCHEDULE OF CHARTER SCHOOLS..... | 74 |
| NOTES TO SUPPLEMENTARY INFORMATION..... | 75 |
| INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS..... | 77 |
| INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> | 80 |
| INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE..... | 82 |
| FINDINGS AND RECOMMENDATIONS: | |
| SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS..... | 84 |
| STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS..... | 88 |

INDEPENDENT AUDITOR'S REPORT

Board of Education
Roseville Joint Union High School District
Roseville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Roseville Joint Union High School District, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise Roseville Joint Union High School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Roseville Joint Union High School District, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Emphasis of Matter

As discussed in Note 1 to the financial statements, in June 2012 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." Also, in November 2013 the GASB issued GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". As discussed in notes 7 and 8, GASB Statements No. 68 and No. 71 are effective for the District's fiscal year ending June 30, 2015. These Statements replace the requirements of GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" and GASB Statement No. 50, "Pension Disclosures." GASB Statements No. 68 and No. 71 establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosures and required supplementary information (RSI) requirements about pensions are also addressed. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that *Management's Discussion and Analysis* on pages 4 to 16 and the Required Supplementary information, such as the General Fund Budgetary Comparison Schedule, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 57 to 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Roseville Joint Union High School District's basic financial statements. The accompanying schedule of expenditure of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the Schedule of Financial Trends and Analysis, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and other supplementary information as listed in the table of contents, except for the Schedule of Financial Trends and Analysis, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015 on our consideration of Roseville Joint Union High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roseville Joint Union High School District's internal control over financial reporting and compliance.



Crowe Horwath LLP

Sacramento, California
November 20, 2015

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section of Roseville Joint Union High School District's annual financial report presents District management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the Independent Auditor's Report presented on pages 1 and 2, and the District's financial statement, which immediately follow this section.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities, present on pages 14 and 15, provide information about the activities of the District as a whole and present a long-term view of the District's finances. The fund financial statements for governmental activities, presented on pages 16 through 21, provide information about how District services were financed in the short-term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside the District.

FINANCIAL HIGHLIGHTS

- For the Governmental Activities programs, total current year revenues exceeded total current year expenses by \$6,691,349.
- Capital assets, net, decreased by \$2,923,008 primarily due to increases in accumulated depreciation.
- The District's 2014/15 P2 Average Daily Attendance decreased by 28 or -0.29% over 2013/14.
- The District received \$1,204,828 in Mandated Cost reimbursements in 2014-15, due to the State's one-time payment of past Mandate obligations as well as from the district's participation in the Mandate Block Grant.
- The District maintains sufficient reserves for a district of its size. It meets the state required minimum reserve for economic uncertainty of 3% of general fund expenditures, transfers out, and other uses (total outgo). During fiscal year 2014-15, General Fund expenditures and other financing uses totaled \$92,249,391.
- The ending fund balance (EFB) for the General Fund at June 30th was \$17,142,362. This includes a 3% reserve for state required economic uncertainties, a 2.42% board reserve for economic uncertainties, and a LCFF reserve that, when added to the board reserve, is equivalent to one year's growth in district LCFF revenue. All of these total \$9,941,844 in reserves for economic uncertainties. The EFB also includes \$4,845,426 which is a combination of legally restricted categorical carryovers, unrestricted categorical, site base budget, and other department carryovers, and non-spendable revolving cash. The remaining \$2,354,912 of EFB is unappropriated, but is going to be used to offset potential future year deficits.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THE FINANCIAL REPORT

The full annual financial report consists of the following parts, Management's Discussion and Analysis, the basic financial statements, the required supplementary information, supplementary information and findings and recommendations. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from two different perspectives, district-wide and funds.

- District-wide financial statements, which comprise the first two statements of Statement of Net Position and Statement of Activities, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements, comprise the remaining statements.
 - ❖ Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.
 - ❖ Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information provides further explanations and provides additional support for the financial statements. A comparison of the District's budget for the year is included.

Reporting the District as a Whole

The District as a whole is reported in the District-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets and liabilities are included in the Statement of Net Position. The Statement of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The District's financial health or position (net position) can be measured by the difference between the District's assets and liabilities.

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

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THE FINANCIAL REPORT (CONTINUED)

In the Statement of Net Position and the Statement of Activities, we divide the District into two categories of activities:

Reporting the District as a Whole

Governmental Activities:

The basic services provided by the District, such as regular and special education, administration, and transportation are included here, and are primarily financed by property taxes and state formula aid. Non-basic services, such as child nutrition are also included here, but are financed by a combination of state and federal contracts and grants, and local revenues.

Business-type Activities:

The District does not provide any services that should be included in this category.

Reporting the District's Most Significant Funds:

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law and bond covenants. However, the District establishes many other funds as needed to control and manage money for specific purposes.

Governmental Funds

The major governmental funds of Roseville Joint Union High School District are the General Fund, the Capital Facilities Fund, and the Bond Interest and Redemption Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances that remain at the end of the year. A modified accrual basis of accounting measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds on a full accrual basis. These include both Enterprise funds and Internal Service funds. Enterprise funds are considered business-type activities and are also reported under a full accrual method. This is the same basis as business-type activities; therefore no reconciling entries are required. Internal service funds are reported with the Governmental Funds. The District has no funds of this type.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THE FINANCIAL REPORT (CONTINUED)

Fiduciary Funds

The District is the trustee, or fiduciary, for its scholarship and student activity funds. All of the District's fiduciary activities are reported in separate Fiduciary Statements. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance their operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

GOVERNMENTAL ACTIVITIES

The District's net position decreased from \$145,729,022 at June 30, 2014 to \$71,642,943 at June 30, 2015; a decrease of \$74,086,079, or -50.84%.

The Governmental Accounting Standards Board approved GASB Statement No. 68 (GASB 68), Accounting and Financial Reporting for Pensions. The primary objective of this Statement, issued in June 2012, is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. Due to GASB 68, the District's beginning balance had to be restated due to changes in the net pension liability as well as deferred outflows of resources. Because of these restatements, the District's net position for fiscal year ending June 30, 2014 has been restated to \$64,951,594 from \$145,729,022.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| Comparative Statement of Net Position | | 2015 | 2014 |
|---------------------------------------|--|-----------------|----------------|
| <u>Assets:</u> | | | |
| Current & Other Assets | | \$ 58,176,822 | \$ 57,398,488 |
| Capital Assets | | 218,714,623 | 221,637,631 |
| Total Assets | | 276,891,445 | 279,036,119 |
| <u>Deferred Outflow:</u> | | | |
| Loss on refunded debt | | 5,023,148 | 5,581,275 |
| Loss on pensions | | 5,978,822 | - |
| | | 10,623,970 | 5,581,275 |
| <u>Liabilities:</u> | | | |
| Other Liabilities | | 9,885,939 | 11,978,805 |
| Long-Term Debt Outstanding | | 188,237,533 | 126,909,567 |
| Total Liabilities | | 198,123,472 | 138,888,372 |
| <u>Deferred Inflow:</u> | | | |
| Gain on pensions | | 18,127,000 | - |
| <u>Net Position:</u> | | | |
| Net Investment in capital assets | | 106,620,079 | 100,486,370 |
| Restricted | | 34,805,063 | 31,049,600 |
| Unrestricted | | (69,782,199) | 14,193,052 |
| Total Net Position | | \$ 71,642,943 | \$ 145,729,022 |
| Comparative Change--\$ | | \$ (74,086,079) | n/a |
| Comparative Change--% | | -50.84% | n/a |

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

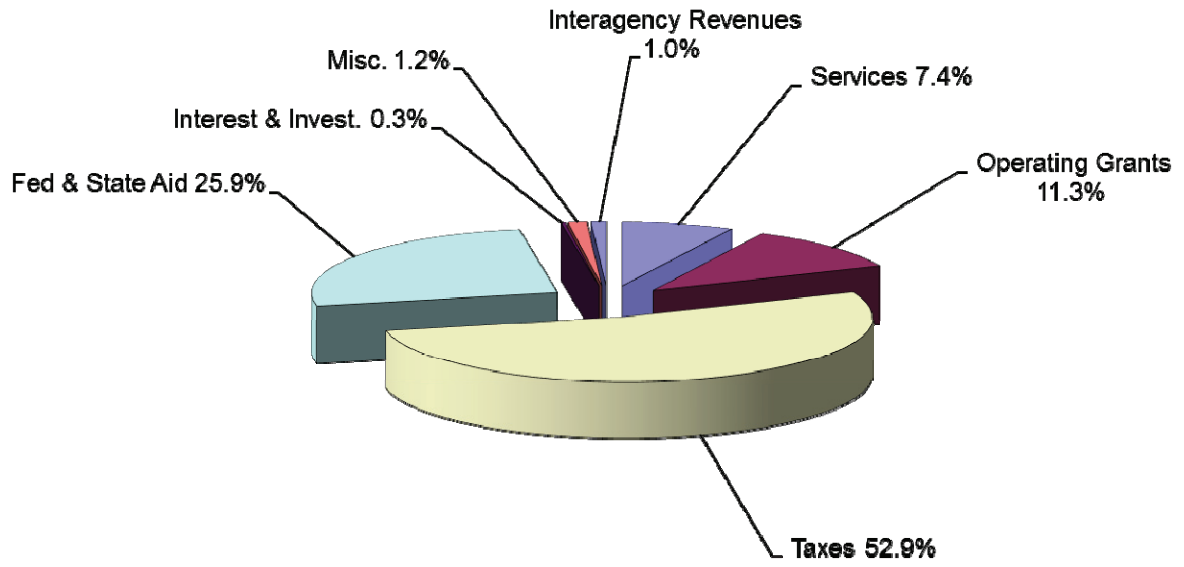
FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

| Comparative Statement of Revenues and Expenses | | |
|--|-------------------------|---------------------|
| | Governmental Activities | |
| | 2015 | 2014 |
| <u>Program Revenues:</u> | | |
| Charge for Services | \$ 8,579,998 | \$ 5,249,376 |
| Operating Grants and Contributions | 13,231,629 | 10,222,168 |
| <u>General Revenues:</u> | | |
| Taxes Levied | 61,751,833 | 57,750,538 |
| Federal and State Aid | 30,267,566 | 25,511,597 |
| Interest and Investment Earnings | 312,947 | 544,133 |
| Miscellaneous | 1,442,722 | 237,157 |
| Interagency Revenues | 1,147,107 | 1,112,233 |
| Total Revenues | <u>94,922,175</u> | <u>100,627,202</u> |
| <u>Program Expenses:</u> | | |
| Instruction | 58,844,851 | 51,687,837 |
| Instruction-Related Services | 10,659,057 | 10,612,220 |
| Pupil Services | 15,489,421 | 12,695,729 |
| General Administration | 5,502,847 | 4,830,704 |
| Plant Services | 11,066,662 | 9,789,646 |
| Ancillary Services | 1,689,903 | 1,518,371 |
| Community Services | 118,379 | 97,168 |
| Enterprise | 388,693 | 409,389 |
| Interest on Long-Term Debt | 5,227,083 | 5,485,945 |
| Other Outgo | 1,055,557 | 1,094,836 |
| Total Expenses | <u>110,042,453</u> | <u>98,221,845</u> |
| Change In Net Position | <u>\$ 6,691,349</u> | <u>\$ 2,405,357</u> |
| Comparative Change--\$ | <u>\$ 4,285,992</u> | <u>n/a</u> |
| Comparative Change-- % | <u>178.19%</u> | <u>n/a</u> |

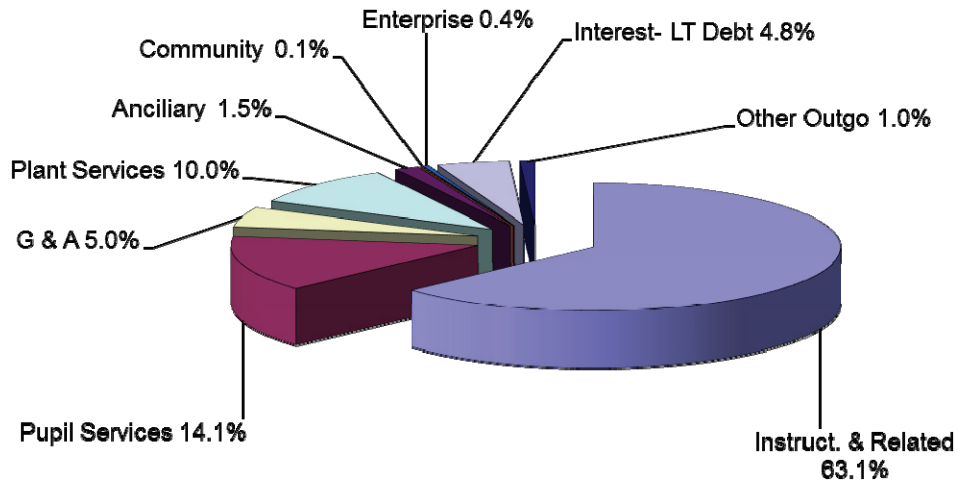
ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Government Activities 2015 - Revenue



ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Government Activities 2015 - Expenses



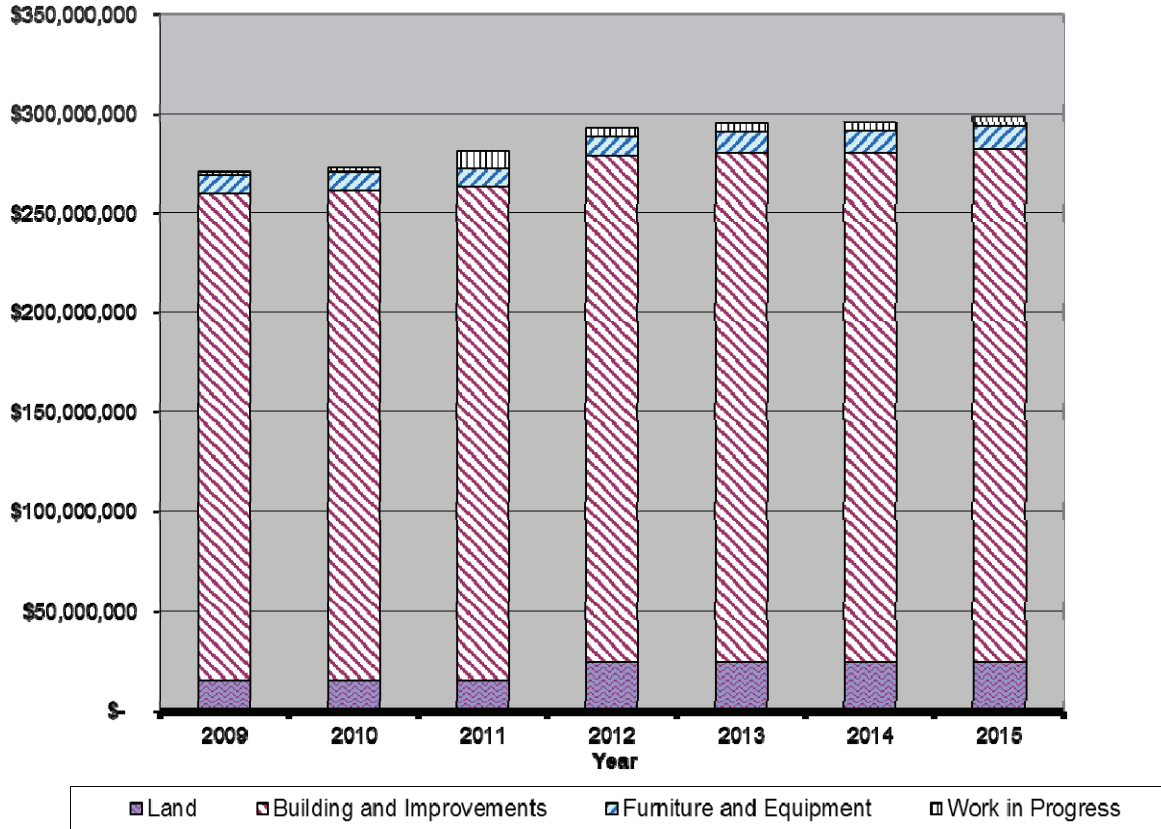
**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

| Comparative Schedule of Capital Assets | | |
|--|-------------------------|-----------------------|
| | Governmental Activities | |
| | 2015 | 2014 |
| Land | \$ 24,422,982 | \$ 24,422,982 |
| Buildings and Improvements | 257,757,501 | 255,826,032 |
| Furniture and Equipment | 11,452,504 | 10,748,073 |
| Work in Progress | 4,947,089 | 4,867,097 |
| Subtotals | 298,580,076 | 295,864,184 |
| Less: Accumulated Depreciation | (79,865,453) | (74,226,553) |
| Capital Assets, Net | <u>\$ 218,714,623</u> | <u>\$ 221,637,631</u> |
| Comparative Change--\$ | <u>\$ (2,923,008)</u> | n/a |
| Comparative Change--% | <u>-1.32%</u> | n/a |

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Schedule of Capital Assets



Capital assets, net of depreciation decreased by \$2,923,008 a 1.32% decrease, primarily due to increases in accumulated depreciation.

All of the District's facilities and other assets are extremely well maintained. The capital improvement plan has consistently included modernization, upgrading, and new construction at all of our campuses such that the District's facilities overall are regarded as among the highest quality in the region.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

| Comparative Schedule of Long-Term Liabilities | | |
|---|-------------------------|-----------------------|
| | Governmental Activities | |
| | 2015 | 2014 |
| General Obligation Bonds | \$ 108,020,322 | \$ 114,667,791 |
| General Obligation Bonds Premium | 9,008,593 | 9,817,581 |
| Certificates of Participation | 1,625,000 | 2,130,000 |
| Capital Leases | 88,777 | 117,164 |
| Net pension liability | 69,172,000 | 86,113,000 |
| Compensated Absences | 322,841 | 177,031 |
| Totals | \$ 188,237,533 | \$ 213,022,567 |

The table reflects the fact that practically all of the District's debt is issued in support of school construction to meet the District's consistent, annual enrollment growth. The district received two bond ratings in February, 2013 issued for the 2013 General Obligation Refunding bonds -- Moody's was an 'Aa2' and Standard & Poor's was a 'AA -'. A similar bond rating in November 2012 from Fitch Ratings -- issued for 1992 series D and 2004 series A, B, and C -- was a strong 'AA'. Fitch Ratings affirmed their 'AA' rating in October 2014. Bond rating agency rationale included:

- Strong Financial Management.
- Solid General Fund Balance.
- Manageable Long-Term Liabilities.
- Stable Financial Operations.
- Improving Economy and Tax Base.
- Sound Reserve Levels.

Bond debt -- combined with developer fee revenue and state construction funds -- has been used for:

- Prior site facility construction.
- Technology improvements to infrastructure systems.
- Various identified modernizations/additions throughout the District.
- Purchase of school site property for a future sixth high school.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONTINUED)

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement. The district looks at the debt service agreements on an annual basis for potential savings.

| Comparative Schedule of Fund Balances | | | |
|---------------------------------------|----------------------|----------------------|------------------------|
| <u>Fund (Fund #)</u> | Fund Balances | | Increase (Decrease) |
| | <u>June 30, 2015</u> | <u>June 30, 2014</u> | |
| General (01) | \$ 17,142,362 | \$ 18,091,579 | \$ (949,217) |
| Adult Education (11) | 478,140 | 520,722 | (42,582) |
| Cafeteria (13) | 896,996 | 1,096,555 | (199,559) |
| Deferred Maintenance (14) | 1,621,211 | 1,585,861 | 35,350 |
| Pupil Transportation (15) | 390,691 | 591,074 | (200,383) |
| Capital Facilities (25) | 16,762,331 | 13,540,694 | 3,221,637 |
| Special Reserve (40) | 273,697 | 186,768 | 86,929 |
| Bond Interest and Redemption (51) | 11,929,830 | 11,056,503 | 873,327 |
| Totals | <u>\$ 49,495,258</u> | <u>\$ 46,669,756</u> | <u>\$ 2,825,502</u> |

As can be seen in the scheduled fund balances, the District has a number of very different funds within which District programs operate. The General Fund has historically had a fund balance in excess of the state required reserve of 3%.

**ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- The 2015/16 General Fund original budget reflects a \$4,989,200 surplus. This is primarily due to increases in LCFF funding as well as one-time funding provided by the State. The district will develop one-time and on-going spending plans in the 2015-16 fiscal year.
- The State of California is continuing to show the impacts of a recovering economy and many economic indicators such as unemployment and the housing market are showing steady improvement. With the passage of Proposition 30, the State revenue projections appear to be much more stable than in the years past. The State's Legislative Analyst Office expects that Proposition 98 minimum guaranteed funding for schools will continue to increase in the next few years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact the District Business Department, Roseville Joint Union High School District, 1750 Cirby Way, Roseville, CA 95661 or (916) 782-5096.

BASIC FINANCIAL STATEMENTS

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2015

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Cash and investments (Note 2) | \$ 53,287,518 |
| Receivables | 4,812,829 |
| Stores inventory | 76,475 |
| Non-depreciable capital assets (Note 4) | 29,370,071 |
| Depreciable capital assets, net of accumulated depreciation (Note 4) | <u>189,344,552</u> |
| Total assets | <u>276,891,445</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources - pensions (Notes 7 and 8) | 5,978,822 |
| Deferred loss on refunded debt | <u>5,023,148</u> |
| Total deferred outflows | <u>11,001,970</u> |
| LIABILITIES | |
| Accounts payable | 5,005,612 |
| Tax and Revenue Anticipation Note payable (Note 2) | 4,500,000 |
| Unearned revenue | 380,327 |
| Long-term liabilities (Note 5): | |
| Due within one year | 13,687,539 |
| Due after one year | <u>174,549,994</u> |
| Total liabilities | <u>198,123,472</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows of resources - pensions | <u>18,127,000</u> |
| NET POSITION | |
| Net investment in capital assets | 106,620,079 |
| Restricted (Note 6) | 34,805,063 |
| Unrestricted | <u>(69,782,199)</u> |
| Total net position | <u>\$ 71,642,943</u> |

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

| | 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 | \$ 58,844,851 | \$ 2,247,753 | \$ 8,733,018 | \$ - | \$ (47,864,080) |
| Instruction-related services: | | | | | |
| Supervision of instruction | 2,023,279 | 583,167 | 250,741 | - | (1,189,371) |
| Instructional library, media and technology | 1,170,080 | - | 26,518 | - | (1,143,562) |
| School site administration | 7,465,698 | 352,733 | 347,747 | - | (6,765,218) |
| Pupil services: | | | | | |
| Home-to-school transportation | 2,640,197 | 88,765 | 33,674 | - | (2,517,758) |
| Food services | 3,478,803 | 1,745,503 | 1,473,394 | - | (259,906) |
| All other pupil services | 9,370,421 | 295,885 | 972,129 | - | (8,102,407) |
| General administration: | | | | | |
| Data processing | 1,243,468 | - | - | - | (1,243,468) |
| All other general administration | 4,259,379 | 583,610 | 325,396 | - | (3,350,373) |
| Plant services | 11,066,662 | 1,619,613 | 879,593 | - | (8,567,456) |
| Ancillary services | 1,689,903 | - | 31,432 | - | (1,658,471) |
| Community services | 118,379 | - | - | - | (118,379) |
| Enterprise activities | 388,693 | - | - | - | (388,693) |
| Interest on long-term liabilities | 5,227,083 | - | - | - | (5,227,083) |
| Other outgo | 1,055,557 | 1,062,969 | 157,987 | - | 165,399 |
| | <u>\$ 110,042,453</u> | <u>\$ 8,579,998</u> | <u>\$ 13,231,629</u> | <u>\$ -</u> | <u>(88,230,826)</u> |
| Total governmental activities | | | | | |
| General revenues: | | | | | |
| Taxes and subventions: | | | | | |
| | | | | 48,546,186 | |
| Taxes levied for general purposes | | | | 12,919,854 | |
| Taxes levied for debt service | | | | 285,793 | |
| Taxes levied for other specific purposes | | | | 30,267,566 | |
| Federal and state aid not restricted to specific purposes | | | | 312,947 | |
| Interest and investment earnings | | | | 1,147,107 | |
| Interagency revenues | | | | 1,442,722 | |
| Miscellaneous | | | | <u>94,922,175</u> | |
| | | | | Total general revenues | |
| | | | | <u>6,691,349</u> | |
| | | | | Change in net position | |
| | | | | 145,729,022 | |
| | | | | Net position, July 1, 2014 | |
| | | | | <u>(80,777,428)</u> | |
| | | | | Cumulative effect of GASB 68 implementation | |
| | | | | <u>64,951,594</u> | |
| | | | | Net position, July 1, 2014, as restated | |
| | | | | <u>\$ 71,642,943</u> | |
| | | | | Net position, June 30, 2015 | |

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

| | General Fund | Capital Facilities Fund | Bond Interest and Redemption Fund | All Non-Major Funds | Total Governmental Funds |
|---|-----------------------------|-------------------------------|--|-----------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and investments: | | | | | |
| Cash in County Treasury | \$ 16,536,416 | \$ 16,518,171 | \$ 11,921,873 | \$ 3,509,615 | \$ 48,486,075 |
| Cash on hand and in banks | 135 | - | - | 214,749 | 214,884 |
| Cash in revolving fund | 31,422 | - | - | 100 | 31,522 |
| Cash with Fiscal Agent, restricted for TRAN | 4,555,037 | - | - | - | 4,555,037 |
| Receivables | 3,902,363 | 367,508 | 7,957 | 535,001 | 4,812,829 |
| Due from other funds | - | - | - | 2,707 | 2,707 |
| Stores inventory | - | - | - | 76,475 | 76,475 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 25,025,373</u> | <u>\$ 16,885,679</u> | <u>\$ 11,929,830</u> | <u>\$ 4,338,647</u> | <u>\$ 58,179,529</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 3,184,606 | \$ 123,348 | \$ - | \$ 493,283 | \$ 3,801,237 |
| TRAN payable | 4,500,000 | - | - | - | 4,500,000 |
| Unearned revenue | 195,698 | - | - | 184,629 | 380,327 |
| Due to other funds | 2,707 | - | - | - | 2,707 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>7,883,011</u> | <u>123,348</u> | <u>-</u> | <u>677,912</u> | <u>8,684,271</u> |
| Fund balances: | | | | | |
| Nonspendable | 31,422 | - | - | 76,575 | 107,997 |
| Restricted | 2,452,167 | 16,762,331 | 11,929,830 | 3,584,160 | 34,728,488 |
| Assigned | 2,362,017 | - | - | - | 2,362,017 |
| Unassigned | 12,296,756 | - | - | - | 12,296,756 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | <u>17,142,362</u> | <u>16,762,331</u> | <u>11,929,830</u> | <u>3,660,735</u> | <u>49,495,258</u> |
| Total liabilities and fund balances | <u>\$ 25,025,373</u> | <u>\$ 16,885,679</u> | <u>\$ 11,929,830</u> | <u>\$ 4,338,647</u> | <u>\$ 58,179,529</u> |

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015

Total fund balances - Governmental Funds \$ 49,495,258

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 \$298,580,076 and the accumulated depreciation is \$79,865,453 (Note 4). 218,714,623

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2015 consisted of (Note 5):

| | | |
|--------------------------------------|------------------|---------------|
| General Obligation Bonds | \$ (108,020,322) | |
| Unamortized premiums | (9,008,593) | |
| Certificates of Participation | (1,625,000) | |
| Capital lease obligations | (88,777) | |
| Net pension liability (Note 7 and 8) | (69,172,000) | |
| Compensated absences | <u>(322,841)</u> | |
| | | (188,237,533) |

In governmental funds, for debt refundings, the difference between reacquisition price and net carrying amount of the old debt for debt refunding is recognized in the period they are incurred. In the government-wide statements, the gain is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. 5,023,148

In government 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 | \$ 5,978,822 | |
| Deferred inflows of resources relating to pensions | <u>(18,127,000)</u> | |
| | | (12,148,178) |

Unmatured interest is not recognized until it is due and, therefore, is not accrued as a payable in governmental funds. (1,204,375)

Total net position - governmental activities \$ 71,642,943

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

| | General Fund | Capital Facilities Fund | Bond Interest and Redemption Fund | All Non-Major Funds | Total Governmental Funds |
|--|----------------------|-------------------------------|--|---------------------------|--------------------------------|
| Revenues: | | | | | |
| Local Control Funding Formula (LCFF): | | | | | |
| State apportionment | \$ 27,218,214 | \$ - | \$ - | \$ 1,578,275 | \$ 28,796,489 |
| Local sources | <u>46,967,911</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>46,967,911</u> |
| Total LCFF | <u>74,186,125</u> | <u>-</u> | <u>-</u> | <u>1,578,275</u> | <u>75,764,400</u> |
| Federal sources | 2,750,361 | - | - | 1,661,483 | 4,411,844 |
| Other state sources | 6,787,654 | - | 945,073 | 590,685 | 8,323,412 |
| Other local sources | <u>6,772,862</u> | <u>6,636,683</u> | <u>12,031,774</u> | <u>1,960,827</u> | <u>27,402,146</u> |
| Total revenues | <u>90,497,002</u> | <u>6,636,683</u> | <u>12,976,847</u> | <u>5,791,270</u> | <u>115,901,802</u> |
| Expenditures: | | | | | |
| Certificated salaries | 46,864,863 | - | - | 661,007 | 47,525,870 |
| Classified salaries | 12,264,981 | 260,880 | - | 1,412,734 | 13,938,595 |
| Employee benefits | 17,096,275 | 80,268 | - | 502,948 | 17,679,491 |
| Books and supplies | 5,359,570 | 178,770 | - | 1,864,131 | 7,402,471 |
| Contract services and operating expenditures | 7,784,292 | 512,510 | - | 1,628,552 | 9,925,354 |
| Capital outlay | 240,108 | 1,929,458 | - | 757,731 | 2,927,297 |
| Other outgo | 967,635 | - | 5,090 | - | 972,725 |
| Debt service: | | | | | |
| Principal retirement | 533,387 | - | 9,153,043 | - | 9,686,430 |
| Interest | <u>72,680</u> | <u>-</u> | <u>2,945,387</u> | <u>-</u> | <u>3,018,067</u> |
| Total expenditures | <u>91,183,791</u> | <u>2,961,886</u> | <u>12,103,520</u> | <u>6,827,103</u> | <u>113,076,300</u> |
| (Deficiency) excess of revenues (under) over expenditures | <u>(686,789)</u> | <u>3,674,797</u> | <u>873,327</u> | <u>(1,035,833)</u> | <u>2,825,502</u> |
| Other financing sources (uses): | | | | | |
| Operating transfers in | 803,172 | 120,000 | - | 1,020,600 | 1,943,772 |
| Operating transfers out | <u>(1,065,600)</u> | <u>(573,160)</u> | <u>-</u> | <u>(305,012)</u> | <u>(1,943,772)</u> |
| Total other financing sources (uses) | <u>(262,428)</u> | <u>(453,160)</u> | <u>-</u> | <u>715,588</u> | <u>-</u> |
| Net change in fund balances | (949,217) | 3,221,637 | 873,327 | (320,245) | 2,825,502 |
| Fund balances, July 1, 2014 | <u>18,091,579</u> | <u>13,540,694</u> | <u>11,056,503</u> | <u>3,980,980</u> | <u>46,669,756</u> |
| Fund balances, June 30, 2015 | <u>\$ 17,142,362</u> | <u>\$ 16,762,331</u> | <u>\$ 11,929,830</u> | <u>\$ 3,660,735</u> | <u>\$ 49,495,258</u> |

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

| | |
|---|---------------------|
| Net change in fund balances - Total Governmental Funds | \$ 2,825,502 |
| 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). | \$ 2,927,293 |
| Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4). | (5,849,169) |
| In government funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported (Note 4). | (1,132) |
| Accretion of interest is not recorded in government funds. It increases the long-term liabilities in the Statement of Net Position (Note 5). | (2,505,574) |
| Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 5). | 9,686,430 |
| Amortization of debt issue premium and loss on refunding is recognized in the period incurred in the governmental funds but in the government-wide statements the premium or discount and loss on refunding is amortized as interest over the life of the debt (Note 5). | 250,861 |
| Unmatured interest on long-term liabilities is not recognized in the governmental funds until the period it is incurred, but is recognized as an expense in the period it becomes due on the statement of net position. | 45,698 |
| Pensions: In government 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 (Notes 7 and 8). | (542,750) |
| In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 5). | <u>(145,810)</u> |
| Change in net position of governmental activities | <u>\$ 6,691,349</u> |

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
TRUST AND AGENCY FUNDS
June 30, 2015

| | <u>Trust</u> | <u>Agency Funds</u> | |
|------------------------------------|-----------------------------|--------------------------------------|-------------------------------------|
| | <u>Scholarship Fund</u> | <u>Warrant Pass- Through</u> | <u>Student Body Account</u> |
| ASSETS | | | |
| Cash and investments (Note 2): | | | |
| Cash in County Treasury | \$ 549,442 | \$ 1,394,492 | \$ - |
| Cash on hand and in banks | - | - | 1,225,460 |
| Receivables | <u>469</u> | <u>2,903</u> | <u>-</u> |
| Total assets | <u>549,911</u> | <u>1,397,395</u> | <u>1,225,460</u> |
| LIABILITIES | | | |
| Accounts payable | 3,500 | - | - |
| Due to other agencies | - | 1,397,395 | - |
| Due to student groups | <u>-</u> | <u>-</u> | <u>1,225,460</u> |
| Total liabilities | <u>3,500</u> | <u>1,397,395</u> | <u>1,225,460</u> |
| NET POSITION | | | |
| Net position - restricted (Note 6) | <u>\$ 546,411</u> | <u>\$ -</u> | <u>\$ -</u> |

See accompanying notes to financial statements.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
TRUST FUND
For the Year Ended June 30, 2015

| | Scholarship Fund |
|--|--------------------------|
| Additions: | |
| Other local sources | \$ 199,964 |
| Deductions: | |
| Contract services and operating expenditures | <u>127,303</u> |
| Change in net position | 72,661 |
| Net position, July 1, 2014 | <u>473,750</u> |
| Net position, June 30, 2015 | <u><u>\$ 546,411</u></u> |

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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 and the Roseville Joint Union High School District Financing Corporation (the "Corporation") have a financial and operational relationship that meets the reporting entity definition criteria for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the basic financial statements of the District.

The following are those aspects of the relationship between the District and the Corporation which satisfy the inclusion criteria:

Accountability

1. The Corporation's Board of Directors were appointed by the District's Board of Education.
2. The District is able to impose its will upon the Corporation, based on the following:
 - All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.
 - The District exercises significant influence over operations of the Corporation, as the District is the sole lessee of all facilities owned by the Corporation. Likewise, the District's lease payments are the sole revenue source of the Corporation.
3. The Corporation provides specific financial benefits or imposes specific financial burdens on the District based upon the following:
 - Any deficits incurred by the Corporation will be reflected in the lease payments of the District.
 - Any surpluses of the Corporation revert to the District at the end of the lease period.
 - The District has assumed a "moral obligation", and potentially a legal obligation, for any debt incurred by the Corporation.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Scope of Public Service

The Corporation is a nonprofit public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State in June 1991. The Corporation was formed for the sole purpose of providing financing assistance to the District for construction and acquisition of Woodcreek High School. The District occupies all Corporation facilities under lease-purchase agreements. At the end of the lease term, title to all Corporation property will pass to the District for no additional consideration.

Financial Presentation

For financial presentation purposes, the Corporation's financial activity has been blended with the financial data of the District. The basic financial statements present the Corporation's financial activity within the General Fund. Certificates of Participation issued by the Corporation are reported as long-term liabilities in the government-wide financial statements.

Basis of Presentation - Financial Statements: The basic financial statements include a Management's Discussion and Analysis 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 display information about the reporting government as a whole. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Position and the Statement of Change in Fiduciary Net Position at the fund financial statement level.

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

Program Revenues

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

Allocation of Indirect Expenses

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

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

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.

Capital Facilities Fund:

The Capital Facilities Fund is a capital projects fund used to account for resources used for the acquisition and construction of capital facilities by the District.

Bond Interest and Redemption Fund:

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

Other Funds

Special Revenue Funds:

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

Special Reserve for Capital Outlay Projects Fund:

The Special Reserve for Capital Outlay Projects Fund is a capital projects fund, used to account for resources used for the acquisition and construction of capital facilities by the District.

Scholarship Fund:

The Scholarship Fund is a trust fund used to account for assets held by the District as Trustee, to provide financial assistance to students of the District.

Agency Funds:

Agency Funds are used to account for assets of others for which the District acts as an agent. The Warrant Pass-Through Fund represents a payroll clearing account with funds held at the Placer County Office of Education for the accrued payroll liability as of June 30, 2015. All cash activity and assets of the various student bodies of the District are accounted for in the Student Body Account. For Student Body Accounts, individual totals by school and club are maintained within the District's accounting system.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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

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

Receivables: Receivables are generally made up 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, 2015.

Stores Inventory: Stores inventory in the Cafeteria Fund is valued at latest invoice cost and consists primarily of consumable supplies. No inventory records are maintained throughout the year. A physical inventory is performed on June 30 and the inventory and expense account balances are adjusted to reflect the physical count at year end.

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

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported, which is in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding debt. Amortization for the year ended June 30, 2015 totaled \$558,127. Additionally, the District has recognized a deferred outflow of resources related to the payments made subsequent to the measurement date for the pensions.

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

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

| | <u>STRP</u> | <u>PERF B</u> | <u>Total</u> |
|--------------------------------|----------------------|----------------------|----------------------|
| Deferred outflows of resources | <u>\$ 4,235,196</u> | <u>\$ 1,743,626</u> | <u>\$ 5,978,822</u> |
| Deferred inflows of resources | <u>\$ 14,268,000</u> | <u>\$ 3,859,000</u> | <u>\$ 18,127,000</u> |
| Net pension liability | <u>\$ 57,942,000</u> | <u>\$ 11,230,000</u> | <u>\$ 69,172,000</u> |
| Pension expense | <u>\$ 5,852,449</u> | <u>\$ 1,123,125</u> | <u>\$ 6,975,574</u> |

Compensated Absences: Compensated absences totaling \$322,841 are recorded as a liability of the District. The liability is for the earned but unused benefits.

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

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

Net Position: Net position is displayed in three components:

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

A - Nonspendable Fund Balance:

The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash and stores inventory.

B - Restricted Fund Balance:

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

C - Committed Fund Balance:

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the 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.

D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Education has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Education can designate personnel with the authority to assign fund balances, however, as of June 30, 2015, no such designation has occurred.

E - Unassigned Fund Balance:

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

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

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2015, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

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.

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are due in two installments on or before November 15 and March 15. Unsecured property taxes are due in one installment on or before August 31. The Counties of Sacramento and Placer bill and collect taxes for the District. Tax revenues are recognized by the District when received.

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

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

New Accounting Pronouncements: In June 2012 the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and GASB Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This Statement is effective for the District's fiscal year ending June 30, 2015. Based on the implementation of GASB Statement No. 68, the District's July 1, 2014 net position was restated by \$81,281,428 because of the recognition of the beginning of year net pension liability and deferred outflows of resources.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In November 2013 the GASB issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The objective of this Statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends paragraph 137 of GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. GASB Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB Statement No. 68 and are effective for the District's fiscal year ending June 30, 2015. Based on the implementation of GASB Statement No. 71, the District established a Deferred Outflow category to report the payments made subsequent to the measurement date of the pensions as well as deferred inflow category to report the net differences between projected and actual earnings on investments of the pensions in the statement of net position.

In February 2015, the GASB issued its final standard on accounting and financial reporting issues related to fair value measurements, applicable primarily to investments made by state and local governments. GASB Statement No. 72, Fair Value Measurement and Application, defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. Under GASB Statement No. 72, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. Before the issuance of GASB Statement No. 72, state and local governments have been required to disclose how they arrived at their measures of fair value if not based on quoted market prices. Under the new guidance, those disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments. This statement is effective for the District's fiscal year ending June 30, 2016. Management has not determined what impact this statement will have on its financial statements.

In June 2015, the GASB issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68, completes the suite of pension standards. GASB Statement No. 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by GASB Statements No. 67 and No. 68). The requirements in GASB Statement No. 73 for reporting pensions generally are the same as in GASB Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions in GASB Statement No. 73 are effective for fiscal years beginning after June 15, 2015, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. Management has not determined what impact this statement will have on its financial statements.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2015, the GASB issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, which replaces GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. GASB Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The GASB Statement follows the framework for financial reporting of defined benefit OPEB plans in GASB Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. GASB Statement No. 74 also sets forth note disclosure requirements for defined contribution OPEB plans. This statement is effective for the District's fiscal year ending June 30, 2017. Management has not determined what impact this statement will have on its financial statements.

In June 2015, the GASB issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability, which is the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. GASB Statement No. 75 carries forward from GASB Statement No. 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. GASB Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances (called special funding situations) GASB Statement No. 75 requires these governments to recognize in their financial statements a share of the other government's net OPEB liability. This statement is effective for the District's fiscal year ending June 30, 2018. Earlier application is encouraged. Management has determined that this statement will not have an impact on its financial statements because the District has no OPEB.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2015, the GASB issued GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The first category of authoritative GAAP consists of Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. These changes are intended to improve financial reporting for governments by establishing a framework for the evaluation of accounting guidance that will result in governments applying that guidance with less variation. That will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. The Statement also is intended to improve implementation guidance by elevating its authoritative status to a level that requires it be exposed for a period of broad public comment prior to issuance, as is done for other GASB pronouncements. In connection with GASB Statement No. 76, the GASB also recently cleared Implementation Guide No. 2015-1, which incorporates changes resulting from feedback received during the public exposure of all of implementation guidance previously issued. This statement is effective for the District's fiscal year ending June 30, 2015. Management has not determined what impact this statement will have on its financial statements.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2015 consisted of the following:

| | <u>Governmental Activities</u> | <u>Fiduciary Activities</u> |
|--|------------------------------------|---------------------------------|
| Pooled Funds: | | |
| Cash in County Treasury | \$ 48,486,075 | \$ 1,943,934 |
| Deposits: | | |
| Cash on hand and in banks | 214,884 | 1,225,460 |
| Revolving cash fund | 31,522 | - |
| Cash with Fiscal Agent, pledged for repayment of TRAN | 4,555,037 | - |
| | \$ 53,287,518 | \$ 3,169,394 |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

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

In accordance with applicable state laws, the Placer County Treasurer may invest in derivative securities. However, at June 30, 2015 the Placer County Treasurer has represented that the Treasurer's Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

Deposits - Custodial Credit Risk: 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, 2015, the carrying amount of the District's accounts was \$1,471,866, and the bank balance was \$1,537,812, of which \$250,000 was fully covered by the FDIC insurance.

Cash with Fiscal Agent, Pledged for Repayment of TRAN: On September 3, 2014 the District issued \$4,500,000 of Tax and Revenue Anticipation Notes (TRAN), maturing on September 2, 2015, with a coupon interest rate of 1.00% and a yield of 0.13%, to provide for anticipated cash flow deficits from operations. The TRAN are a general obligation of the District, and are payable solely from revenues and cash receipts generated by the District during the fiscal year ending June 30, 2015. The TRAN was repaid on September 2, 2015

Following is a schedule of changes in the TRAN liability for the year ended June 30, 2015:

| | |
|------------------------|---------------------|
| Balance, July 1, 2014. | \$ 7,000,000 |
| Current year additions | 4,500,000 |
| Current year deletions | <u>(7,000,000)</u> |
| Balance June 30, 2015 | <u>\$ 4,500,000</u> |

Repayment terms require the entire TRAN principal and accrued interest to be set aside. As of June 30, 2015, funds totaling \$4,555,037 held in the General Fund were pledged to repay the principal and accrued interest.

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, 2015, 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, 2015, the District had no concentration of credit risk.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

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, 2015 were as follows:

| <u>Fund</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|-------------------------------|----------------------------------|-------------------------------|
| Major Fund: General | \$ - | \$ 2,707 |
| Non-Major Funds: Cafeteria | <u>2,707</u> | <u>-</u> |
| Totals | <u>\$ 2,707</u> | <u>\$ 2,707</u> |

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

Interfund transfers for the 2014-2015 fiscal year were as follows:

| | |
|--|---------------------|
| Transfer from the General Fund to the Pupil Transportation Equipment Fund for payment of capital leases and other operating costs. | \$ 75,000 |
| Transfer from the General Fund to the Capital Facilities Fund for the transfer of redevelopment revenue. | 120,000 |
| Transfer from the General Fund to the Special Reserve for Capital Outlay Projects Fund for payment of operating costs. | 870,600 |
| Transfer from Adult Education Fund to the General Fund for indirect costs. | 47,155 |
| Transfer from the Cafeteria Fund to the General Fund for indirect costs. | 182,857 |
| Transfer from the Capital Facilities Fund to the General Fund for payment of Certificates of Participation. | 573,160 |
| Transfer from the Special Reserve for Capital Outlay Projects Fund to the Pupil Transportation Equipment Fund for payment of capital leases and other operating costs. | <u>75,000</u> |
| Totals | <u>\$ 1,943,772</u> |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2015 is shown below:

| | Balance July 1, <u>2014</u> | Additions and <u>Transfers</u> | Deductions and <u>Transfers</u> | Balance June 30, <u>2015</u> |
|--------------------------------|-----------------------------------|--------------------------------------|---------------------------------------|------------------------------------|
| Non-depreciable: | | | | |
| Land | \$ 24,422,982 | \$ - | \$ - | \$ 24,422,982 |
| Work-in-process | 4,867,097 | 224,131 | 144,139 | 4,947,089 |
| Depreciable: | | | | |
| Improvement of sites | 4,396,911 | 1,467,327 | - | 5,864,238 |
| Buildings | 251,429,121 | 464,142 | - | 251,893,263 |
| Equipment | <u>10,748,073</u> | <u>914,700</u> | <u>210,269</u> | <u>11,452,504</u> |
| Totals, at cost | <u>295,864,184</u> | <u>3,070,300</u> | <u>354,408</u> | <u>298,580,076</u> |
| Less accumulated depreciation: | | | | |
| Improvement of sites | (4,083,116) | (34,947) | - | (4,118,063) |
| Buildings | (60,670,678) | (5,202,438) | - | (65,873,116) |
| Equipment | <u>(9,472,759)</u> | <u>(611,784)</u> | <u>(210,269)</u> | <u>(9,874,274)</u> |
| Total accumulated depreciation | <u>(74,226,553)</u> | <u>(5,849,169)</u> | <u>(210,269)</u> | <u>(79,865,453)</u> |
| Capital assets, net | <u>\$221,637,631</u> | <u>\$ (2,778,869)</u> | <u>\$ 144,139</u> | <u>\$218,714,623</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|---|---------------------|
| Instruction | \$ 3,253,003 |
| Supervision of instruction | 113,296 |
| Instructional library, media and technology | 65,557 |
| School site administration | 418,742 |
| Home-to-school transportation | 197,866 |
| Food services | 203,348 |
| All other pupil services | 527,455 |
| Ancillary services | 95,666 |
| Community services | 6,885 |
| Enterprise activities | 22,589 |
| All other general administration | 240,226 |
| Centralized data processing | 73,569 |
| Plant services | <u>630,967</u> |
| Total depreciation expense | <u>\$ 5,849,169</u> |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 - LONG-TERM LIABILITIES

General Obligation Bonds: In July 1992, the District issued General Obligation Bonds in the amount of \$13,793,792 for land acquisition and the construction of new high schools. The 1992 General Obligation Bonds, Series A, are authorized pursuant to the special election of the registered voters held in June 1991, and are payable from the ad valorem taxes to be levied annually upon all property subject to taxation by the District. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 3.5% to 6.6% and are scheduled to mature through 2018.

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|-------------------|---------------------|
| 2016 | \$ 2,588,658 | \$ 439,054 | \$ 3,027,712 |
| 2017 | 2,618,413 | 282,086 | 2,900,499 |
| 2018 | <u>2,652,418</u> | <u>99,746</u> | <u>2,752,164</u> |
| | <u>\$ 7,859,489</u> | <u>\$ 820,886</u> | <u>\$ 8,680,375</u> |

In June 1995, the District issued 1992 General Obligation Bonds, Series B, in the amount of \$19,030,284. Bond proceeds were used for land acquisition and construction of new high schools. The Capital Appreciation Serial Bonds interest and yield vary, ranging from 4.4% to 6.0% and are scheduled to mature through 2020.

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|---------------------|----------------------|
| 2016 | \$ 4,577,887 | \$ 756,799 | \$ 5,334,686 |
| 2017 | 2,288,046 | 582,008 | 2,870,054 |
| 2018 | 2,262,003 | 460,530 | 2,722,533 |
| 2019 | 2,239,681 | 324,119 | 2,563,800 |
| 2020 | <u>2,217,358</u> | <u>117,082</u> | <u>2,334,440</u> |
| | <u>\$ 13,584,975</u> | <u>\$ 2,240,538</u> | <u>\$ 15,825,513</u> |

In July 1998, the District issued 1992 General Obligation Bonds, Series 1998C, in the amount of \$4,995,895. Bond proceeds were used for land acquisition and the construction of new high schools. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 4.5% to 5.3% and are scheduled to mature through 2024.

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|-------------------|---------------------|
| 2016 | \$ 414,328 | \$ 166,660 | \$ 580,988 |
| 2017 | 402,758 | 152,982 | 555,740 |
| 2018 | 391,400 | 137,959 | 529,359 |
| 2019 | 379,520 | 121,506 | 501,026 |
| 2020 | 372,235 | 103,408 | 475,643 |
| 2021-2024 | <u>1,384,535</u> | <u>197,708</u> | <u>1,582,243</u> |
| | <u>\$ 3,344,776</u> | <u>\$ 880,223</u> | <u>\$ 4,224,999</u> |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 - LONG-TERM LIABILITIES (Continued)

In July 1999, the District issued 1992 General Obligation Bonds, Series 1999D, in the amount of \$3,000,841. Bond proceeds were used for land acquisition and construction of new high schools. The Current Interest and Capital Appreciation Bonds interest and yield vary, ranging from 4.6% to 5.65% and are scheduled to mature through 2025.

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|-------------------|---------------------|
| 2016 | \$ 252,977 | \$ 117,464 | \$ 370,441 |
| 2017 | 243,930 | 109,325 | 353,255 |
| 2018 | 235,178 | 100,376 | 335,554 |
| 2019 | 226,661 | 90,638 | 317,299 |
| 2020 | 222,283 | 79,922 | 302,205 |
| 2021-2025 | <u>1,007,785</u> | <u>198,461</u> | <u>1,206,246</u> |
| | <u>\$ 2,188,814</u> | <u>\$ 696,186</u> | <u>\$ 2,885,000</u> |

In July 2006, the District issued 2004 General Obligation Bonds, Series B, in the amount of \$25,000,000. Bond proceeds were used for acquisition, modernization and improvement of District facilities. The Bonds carry interest rates ranging from 4.5% to 6.0% and are scheduled to mature through 2016.

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|-------------------|-----------------|-------------------|
| 2016 | <u>\$ 330,000</u> | <u>\$ 7,425</u> | <u>\$ 337,425</u> |

In April 2007, the District issued 2004 General Obligation Bonds, Series C, in the amount of \$27,997,959. Bond proceeds were used for construction, renovation and repair of District facilities. The Current Interest Bonds carry interest rates ranging from 4.0% to 5.0% and are scheduled to mature through 2017. The Capital Appreciation Bonds carry interest rates ranging from 4.59% to 4.66% and are scheduled to mature through 2032.

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|----------------------|---------------------|
| 2016 | \$ 940,000 | \$ 774,665 | \$ 1,714,665 |
| 2017 | 1,065,000 | 765,036 | 1,830,036 |
| 2018 | - | 775,764 | 775,764 |
| 2019 | - | 812,103 | 812,103 |
| 2020 | - | 850,125 | 850,125 |
| 2021-2025 | 1,634,172 | 4,828,586 | 6,462,758 |
| 2026-2030 | 8,233,341 | 3,762,274 | 11,995,615 |
| 2031-2032 | <u>5,249,004</u> | <u>550,617</u> | <u>5,799,621</u> |
| | <u>\$ 17,121,517</u> | <u>\$ 13,119,170</u> | <u>\$ 8,039,398</u> |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 - LONG-TERM LIABILITIES (Continued)

In May 2011, the District issued 2007 General Obligation Bonds, Series 2011A, in the amount of \$4,885,624. Bond proceeds were used for the purchase of land for a future high school. The Current Interest Bonds carry interest rates ranging from 2.0% to 5.85% and are scheduled to mature through 2045. The Capital Appreciation Bonds carry interest rates ranging from 7.86% to 12.00% and are scheduled to mature from 2016 through 2042.

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|---------------------|----------------------|
| 2016 | \$ 14,151 | \$ 313,904 | \$ 328,055 |
| 2017 | 20,990 | 321,540 | 342,530 |
| 2018 | 29,890 | 332,013 | 361,903 |
| 2019 | 33,252 | 330,028 | 363,280 |
| 2020 | 38,473 | 338,139 | 376,612 |
| 2021-2025 | 691,742 | 1,737,301 | 2,429,043 |
| 2026-2030 | 1,308,459 | 1,821,215 | 3,129,674 |
| 2031-2035 | 1,133,794 | 1,697,826 | 2,831,620 |
| 2036-2040 | 135,000 | 1,049,557 | 1,184,557 |
| 2041-2042 | <u>1,690,000</u> | <u>97,875</u> | <u>1,787,875</u> |
| | <u>\$ 5,095,751</u> | <u>\$ 8,039,398</u> | <u>\$ 13,135,149</u> |

On August 2011, the District issued at par \$8,020,000 of 2011 General Obligation Refunding Bonds for the purpose of refunding \$8,745,000 of then outstanding 1992 General Obligation Bonds, Series E. The 2011 General Obligation Refunding Bonds bear interest rates ranging from 2.0% to 5.0% and will be repaid in level principal amounts, with the final payment due August 1, 2026. The refunded 1992 General Obligation, Series E bore interest rates ranging from 4.0% to 5.2% and were also due in level principal amounts, with the final payment due August 1, 2026.

The following is a schedule of the future payments for the 2012 General Refunding Bonds:

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|---------------------|---------------------|
| 2016 | \$ 365,000 | \$ 322,825 | \$ 687,825 |
| 2017 | 390,000 | 309,550 | 699,550 |
| 2018 | 420,000 | 293,350 | 713,350 |
| 2019 | 455,000 | 275,850 | 730,850 |
| 2020 | 495,000 | 254,375 | 749,375 |
| 2021-2025 | 3,180,000 | 838,000 | 4,018,000 |
| 2026-2027 | <u>1,660,000</u> | <u>84,500</u> | <u>1,744,500</u> |
| | <u>\$ 6,965,000</u> | <u>\$ 2,378,450</u> | <u>\$ 9,343,450</u> |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 - LONG-TERM LIABILITIES (Continued)

On April 2013, the District issued at par \$54,185,000 of 2013 General Obligation Refunding Bonds for the purpose of refunding to advance refund a portion of the District's outstanding Election of 2004 General Obligation Bonds, Series A; 2004 Series B; and 2004 Series C. The total par value of the refunded bonds was \$57,460,000. The 2013 General Obligation Refunding Bonds bear interest rates ranging from 2.0% to 5.0% and will be repaid in level principal amounts, with the final payment due August 1, 2024.

The following is a schedule of the future payments for the 2013 General Refunding Bonds:

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|----------------------|----------------------|
| 2016 | \$ 2,480,000 | \$ 2,228,850 | \$ 4,708,850 |
| 2017 | 3,055,000 | 2,133,550 | 5,188,550 |
| 2018 | 4,605,000 | 1,983,350 | 6,588,350 |
| 2019 | 5,120,000 | 1,788,850 | 6,908,850 |
| 2020 | 5,675,000 | 1,572,950 | 7,247,950 |
| 2021-2025 | <u>30,595,000</u> | <u>3,257,625</u> | <u>33,852,625</u> |
| | <u>\$ 51,530,000</u> | <u>\$ 12,965,175</u> | <u>\$ 64,495,175</u> |

Certificates of Participation: On December 2011, the District issued at par \$3,085,000 of Certificates of Participation ("COPs") for the purpose of refunding \$3,475,000 of then outstanding 2003 Certificates of Participation. The refunding COPs bear an interest rate of 3.2% and will be repaid in level principal amounts, with the final payment due February 1, 2018. The refunded 2003 COPs carried a variable interest rate ranging up to 12% and were also due in level principal amounts, with the final payment due February 1, 2018.

The District's future obligations on the Refunding COPs are as follows:

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|-------------------|---------------------|
| 2016 | \$ 525,000 | \$ 52,000 | \$ 577,000 |
| 2017 | 540,000 | 35,200 | 575,200 |
| 2018 | <u>560,000</u> | <u>17,920</u> | <u>577,920</u> |
| | <u>\$ 1,625,000</u> | <u>\$ 105,120</u> | <u>\$ 1,730,120</u> |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 - LONG-TERM LIABILITIES (Continued)

Capitalized Lease Obligations: During June 2013, the District entered into a capital lease agreement with De Lage Landen Public Finance LLC which will be paid over a five year period. The District's future obligation on the Capital Lease are as follows:

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|------------------|-----------------|------------------|
| 2016 | \$ 14,706 | \$ 1,664 | \$ 16,370 |
| 2017 | 15,340 | 1,030 | 16,370 |
| 2018 | <u>16,001</u> | <u>369</u> | <u>16,370</u> |
| | <u>\$ 46,047</u> | <u>\$ 3,063</u> | <u>\$ 49,110</u> |

During March 2013, the District entered into a capital lease agreement with De Lage Landen Public Finance LLC which will be paid over a five year period. The District's future obligation on the Capital Lease are as follows:

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|------------------|-----------------|------------------|
| 2016 | \$ 14,938 | \$ 1,599 | \$ 16,537 |
| 2017 | 15,616 | 921 | 16,537 |
| 2018 | <u>12,176</u> | <u>227</u> | <u>12,403</u> |
| | <u>\$ 42,730</u> | <u>\$ 2,747</u> | <u>\$ 45,477</u> |

At June 30, 2014, the District had capital assets acquired from capital leases with an original cost of \$147,670 and accumulated depreciation totaling \$57,600.

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2015 is shown below:

| | Balance July 1 <u>2014</u> | <u>Additions</u> | <u>Deductions</u> | Balance June 30, <u>2015</u> | Amounts Due Within <u>One Year</u> |
|---|----------------------------------|---------------------|----------------------|------------------------------------|--|
| General Obligation Bonds (including accreted-interest) | \$ 114,667,791 | \$ 2,505,574 | \$ 9,153,043 | \$ 108,020,322 | \$ 11,963,001 |
| Unamortized premium | 9,817,581 | - | 808,988 | 9,008,593 | 847,053 |
| Certificates of Participation | 2,130,000 | - | 505,000 | 1,625,000 | 525,000 |
| Capitalized lease obligations | 117,164 | - | 28,387 | 88,777 | 29,644 |
| Net pension liability (Notes 7 and 8) | 85,609,000 | - | 16,437,000 | 69,172,000 | - |
| Compensated absences | <u>177,031</u> | <u>145,810</u> | <u>-</u> | <u>322,841</u> | <u>322,841</u> |
| | <u>\$ 212,518,567</u> | <u>\$ 2,651,384</u> | <u>\$ 26,932,418</u> | <u>\$ 188,237,533</u> | <u>\$ 13,687,539</u> |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 - LONG-TERM LIABILITIES (Continued)

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the Certificates of Participation are made from the General Fund. Payments on the capitalized lease obligations are made from the General Fund. Payments on compensated absences are made from the Fund for which the related employee worked.

NOTE 6 - NET POSITION / FUND BALANCES

The restricted net position consisted of the following at June 30, 2015:

| | |
|--------------------------------------|----------------------|
| Governmental <u>Activities</u> | |
| Restricted for: | |
| Unspent categorical program revenues | \$ 2,452,167 |
| Adult education program | 478,140 |
| Food service operations | 896,996 |
| Deferred maintenance projects | 1,621,211 |
| Pupil transportation | 390,691 |
| Capital projects | 17,036,028 |
| Debt service | <u>11,929,830</u> |
| | <u>\$ 34,805,063</u> |
| | |
| Fiduciary <u>Activities</u> | |
| Restricted for scholarships | \$ <u>546,411</u> |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 - NET POSITION / FUND BALANCES (Continued)

Fund balances, by category, at June 30, 2015 consisted of the following:

| | General Fund | Capital Facilities Fund | Bond Interest and Redemption Fund | All Non-Major Funds | Total |
|-------------------------------------|----------------------|-------------------------------|--|---------------------------|----------------------|
| Nonspendable: | | | | | |
| Revolving cash fund | \$ 31,422 | \$ - | \$ - | \$ 100 | \$ 31,522 |
| Stores inventory | <u>-</u> | <u>-</u> | <u>-</u> | <u>76,475</u> | <u>76,475</u> |
| Subtotal nonspendable | <u>31,422</u> | <u>-</u> | <u>-</u> | <u>76,575</u> | <u>107,997</u> |
| Restricted: | | | | | |
| Unspent categorical revenues | 2,452,167 | - | - | - | 2,452,167 |
| Special revenue | - | - | - | 3,310,463 | 3,310,463 |
| Capital projects | - | 16,762,331 | - | 273,697 | 17,036,028 |
| Debt service | <u>-</u> | <u>-</u> | <u>11,929,830</u> | <u>-</u> | <u>11,929,830</u> |
| Subtotal restricted | <u>2,452,167</u> | <u>16,762,331</u> | <u>11,929,830</u> | <u>3,584,160</u> | <u>34,728,488</u> |
| Assigned: | | | | | |
| Categorical programs | 862,017 | - | - | - | 862,017 |
| High school start up | <u>1,500,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,500,000</u> |
| Subtotal assigned | <u>2,362,017</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,362,017</u> |
| Unassigned: | | | | | |
| Designated for economic uncertainty | 9,941,844 | - | - | - | 9,941,844 |
| Undesignated | <u>2,354,912</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,354,912</u> |
| Subtotal unassigned | <u>12,296,756</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,296,756</u> |
| Total fund balances | <u>\$ 17,142,362</u> | <u>\$ 16,762,331</u> | <u>\$ 11,929,830</u> | <u>\$ 3,660,735</u> | <u>\$ 49,495,258</u> |

(Continued)

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

General Information about the State Teachers' Retirement Plan

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

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

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

The Defined Benefit 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 2.4 percent of final compensation.

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 three consecutive years of credited service.

(Continued)

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

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 three consecutive years of credited service.

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

A summary of statutory contribution rates and other sources of contributions to the Defined Benefit Program are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 8.15 percent of applicable member earnings for fiscal year 2013-14. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 8.15 percent of applicable member earnings for fiscal year 2014-15.

In general, member contributions cannot increase unless members are provided with some type of "comparable advantage" in exchange for such increases. Under previous law, the Legislature could reduce or eliminate the 2 percent annual increase to retirement benefits. As a result of AB 1469, effective July 1, 2014, the Legislature cannot reduce the 2 percent annual benefit adjustment for members who retire on or after January 1, 2014, and in exchange for this "comparable advantage," the member contribution rates have been increased by an amount that covers a portion of the cost of the 2 percent annual benefit adjustment.

Effective July 1, 2014, with the passage of AB 1469, member contributions for those under the 2% at 60 benefit structure increase from 8.0 percent to a total of 10.25 percent of applicable member earnings, phased in over the next three years. For members under the 2% at 62 benefit structure, contributions will increase from 8.0 percent to 9.205 percent of applicable member earnings, again phased in over three years, if there is no change to normal cost.

The CalSTRS member contribution rate increases effective for fiscal year 2014-15 and beyond are summarized in the table below:

Employers – 8.88 percent of applicable member earnings.

In accordance with AB 1469, employer contributions will increase from 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The new legislation also gives the board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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

The CalSTRS employer contribution rate increases effective for fiscal year 2014-15 through fiscal year 2045-46 are summarized in the table below:

| <u>Effective Date</u> | <u>Prior Rate</u> | <u>Increase</u> | <u>Total</u> |
|-----------------------|-------------------|--|--------------|
| July 01, 2014 | 8.25% | 0.63% | 8.88% |
| July 01, 2015 | 8.25% | 2.48% | 10.73% |
| July 01, 2016 | 8.25% | 4.33% | 12.58% |
| July 01, 2017 | 8.25% | 6.18% | 14.43% |
| July 01, 2018 | 8.25% | 8.03% | 16.28% |
| July 01, 2019 | 8.25% | 9.88% | 18.13% |
| July 01, 2020 | 8.25% | 10.85% | 19.10% |
| July 01, 2046 | 8.25% | Increase from prior rate ceases in 2046-47 | |

The District contributed \$4,235,196 to the plan for the fiscal year ended June 30, 2015.

State - 5.954 percent of the members’ creditable earnings from the fiscal year ending in the prior calendar year. This portion of the state appropriation totaled \$527 million in fiscal year 2013-14.

Additionally, beginning October 1, 1998, a statutory contribution rate of 0.524 percent, adjustable annually in 0.25 percent increments up to a maximum of 1.505 percent, of the creditable earnings from the fiscal year ending in the prior calendar year per Education Code Section 22955(b). This contribution is reduced to zero if there is no unfunded actuarial obligation and no normal cost deficit for benefits in place as of July 1, 1990. Based on the actuarial valuation, as of June 30, 2012 there was no normal cost deficit, but there was an unfunded obligation for benefits in place as of July 1, 1990. As a result, the state was required to make quarterly payments starting October 1, 2013, at an additional contribution rate of 1.024 percent. As of June 30, 2014, the state contributed \$200.7 million of the \$267.6 million total amount for fiscal year 2013-14. As a result of AB 1469, the fourth quarterly payment of \$66.9 million was included in an increased first quarter payment of \$94 million for the 2014-15 fiscal year, which was transferred on July 1, 2014.

In accordance with AB 1469, the portion of the state appropriation under Education Code Section 22955(b) that is in addition to the 2.017 percent has been replaced by section 22955.1(b) in order to fully fund the benefits in effect as of 1990 by 2046. The additional state contribution will increase from 1.437 percent in 2014-15 to 4.311 percent in 2016-17. The increased contributions end as of fiscal year 2046-2047.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

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

The CalSTRS state contribution rates effective for fiscal year 2014-15 and beyond are summarized in the table below:

| <u>Effective Date</u> | <u>Base Rate</u> | <u>AB 1469 Increase For 1990 Benefit Structure</u> | <u>SBMA Funding</u> | <u>Total State Appropriation to DB Program</u> |
|--------------------------------|------------------|--|---------------------|--|
| July 01, 2014 | 2.017% | 1.437% | 2.50% | 5.954% |
| July 01, 2015 | 2.017% | 2.874% | 2.50% | 7.391% |
| July 01, 2016 | 2.017% | 4.311% | 2.50% | 8.828% |
| July 01, 2017 to June 30, 2046 | 2.017% | 4.311%* | 2.50% | 8.828%* |
| July 01, 2046 and thereafter | 2.017% | * | 2.50% | 4.571%* |

* The new legislation also gives the board limited authority to adjust state contribution rates from July 1, 2017, through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50 percent in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure shall be reduced to 0 percent. Rates in effect prior to July 1, 2014, are reinstated if necessary to address any remaining 1990 unfunded actuarial obligation from July 1, 2046, and thereafter.

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

At June 30, 2015, 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 | \$ 57,942,000 |
| State’s proportionate share of the net pension liability associated with the District | <u>34,988,000</u> |
| Total | <u>\$ 92,930,000</u> |

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2013. 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 projected contributions of all participating school Districts and the State. At June 30, 2014, the District’s proportion was 0.099 percent, which was an increase of zero from its proportion measured as of June 30, 2013.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

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

For the year ended June 30, 2015, the District recognized pension expense of \$5,852,449 and revenue of \$2,322,902 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ - | \$ - |
| Changes of assumptions | - | - |
| Net differences between projected and actual earnings on investments | - | 14,268,000 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | - | - |
| Contributions made subsequent to measurement date | <u>4,235,196</u> | <u>-</u> |
| Total | <u>\$ 4,235,196</u> | <u>\$ 14,268,000</u> |

\$4,235,196 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ended <u>June 30,</u> | |
|--------------------------------|--------------|
| 2016 | \$ 3,567,000 |
| 2017 | \$ 3,567,000 |
| 2018 | \$ 3,567,000 |
| 2019 | \$ 3,567,000 |

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 June 30, 2014. The STRP net pension liability as of June 30, 2013 and the STRP net pension liability as of June 30, 2014 are based on the June 30, 2013 actuarial valuation for the first year of implementation. As a result there are no differences between expected and actual experience or changes in assumptions subject to amortization. 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)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

| | |
|-----------------------------------|---|
| Valuation Date | June 30, 2013 |
| Experience Study | July 1, 2006, through June 30, 2010 |
| Actuarial Cost Method | Entry age normal |
| Investment Rate of Return | 7.60% |
| Consumer Price Inflation | 3.00% |
| Wage Growth | 3.75% |
| Post-retirement Benefit Increases | 2.00% simple for DB Not applicable for DBS/CBB |

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience. RP2000 series tables are an industry standard set of mortality rates published by the Society of Actuaries. See CalSTRS July 1, 2006 – June 30, 2010 experience analysis for more information.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. Based on the model from CalSTRS consulting actuary’s investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that annual returns are log normally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation by PCA is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

| <u>Asset Class</u> | <u>Assumed Asset Allocation</u> | <u>Long-Term* Expected Real Rate of Return</u> |
|---------------------|---------------------------------|--|
| Global Equity | 47% | 4.50% |
| Private Equity | 12 | 6.20 |
| Real Estate | 15 | 4.35 |
| Inflation Sensitive | 5 | 3.20 |
| Fixed Income | 20 | 0.20 |
| Cash / Liquidity | 1 | 0.00 |

* 10-year geometric average

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

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

Discount Rate: The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per Assembly Bill 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.60 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.

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 7.60 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 (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate:

| | 1% Decrease (6.60%) | Current Discount Rate (7.60%) | 1% Increase (8.60%) |
|--|---------------------------|-------------------------------------|---------------------------|
| District’s proportionate share of the net pension liability | <u>\$ 90,316,000</u> | <u>\$ 57,942,000</u> | <u>\$ 30,948,000</u> |

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

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 noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at <https://www.calpers.ca.gov/docs/forms-publications/cafr-2014.pdf>.

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

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer’s benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when agencies first join the PERF, 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, 2014 were as follows:

Members - The member contribution rate was 6.0 or 7.0 percent of applicable member earnings for fiscal year 2013-14.

Employers - The employer contribution rate was 11.771 percent of applicable member earnings.

The District contributed \$1,365,626 to the plan for the fiscal year ended June 30, 2015.

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

At June 30, 2015, the District reported a liability of \$11,230,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. 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 projected contributions of all participating school Districts. At June 30, 2014, the District’s proportion was 0.099 percent, which was an increase of 0.003 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$1,123,125. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ - | \$ - |
| Changes of assumptions | - | - |
| Net differences between projected and actual earnings on investments | - | 3,859,000 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 378,000 | - |
| Contributions made subsequent to measurement date | <u>1,365,626</u> | <u>-</u> |
| Total | <u>\$ 1,743,626</u> | <u>\$ 3,859,000</u> |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

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

\$1,365,626 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ended <u>June 30,</u> | | |
|--------------------------------|----|---------|
| 2016 | \$ | 838,750 |
| 2017 | \$ | 838,750 |
| 2018 | \$ | 838,750 |
| 2019 | \$ | 964,750 |

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, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

| | |
|-----------------------------------|--|
| Valuation Date | June 30, 2013 |
| Experience Study | July 1, 2006, through June 30, 2010 |
| Actuarial Cost Method | Entry age normal |
| Investment Rate of Return | 7.50% |
| Consumer Price Inflation | 2.75% |
| Wage Growth | Varies by entry age and service |
| Post-retirement Benefit Increases | Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.75% thereafter |

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

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

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

| <u>Asset Class</u> | <u>Long-Term* Assumed Asset Allocation</u> | <u>Expected Real Rate of Return</u> |
|-----------------------------|--|---|
| Global Equity | 47% | 5.25% |
| Global Fixed Income | 19 | 0.99 |
| Inflation Sensitive | 6 | 0.45 |
| Private Equity | 12 | 6.83 |
| Real Estate | 11 | 4.50 |
| Infrastructure & Forestland | 3 | 4.50 |
| Liquidity | 2 | (0.55) |

* 10-year geometric average

Discount Rate: The discount rate used to measure the total pension liability was 7.50 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.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in the actuarial valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Plan. However, employers may determine the impact for their own financial reporting purposes based on their proportionate share.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected cash flows of the Plan. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan’s asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

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

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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|---|---------------------------|-------------------------------------|---------------------------|
| District’s proportionate share of the net pension liability | <u>\$ 19,644,000</u> | <u>\$ 11,230,000</u> | <u>\$ 4,094,000</u> |

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

NOTE 9 - JOINT POWERS AGREEMENTS

Schools Insurance Group: The District is a member of a Joint Powers Authority, Schools Insurance Group (SIG), for the operation of a common risk management and insurance program. The Authority is governed by a Governing Board consisting of representatives of member districts. The Governing Board controls the operations of SIG, including selections of management and approval of operating budgets. The JPA provide first dollar coverage and insure risk up to statutory limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal year. There have been no significant reductions in insurance coverage from coverage in the prior year.

Condensed financial information for SIG for the year ended June 30, 2014 (the latest information available):

| | |
|------------------------|---------------|
| Total assets | \$ 86,315,315 |
| Total liabilities | \$ 31,253,582 |
| Total net position | \$ 55,061,733 |
| Total revenues | \$ 82,124,047 |
| Total expenditures | \$ 80,784,567 |
| Change in net position | \$ 1,339,480 |

School Project for Utility Rate Reduction (SPURR): The District is also a member of a School Project for Utility Rate Reduction (SPURR) Joint Powers Authority. The Authority is governed by a Governing Board consisting of representatives from member districts. The Board controls the operations of SPURR including selections of management and approval of operating budgets. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 9 - JOINT POWERS AGREEMENTS (Continued)

Condensed financial information for SPURR for the year ended June 30, 2014 (the most current information available) is as follows:

| | |
|------------------------|----------------|
| Total assets | \$ 12,618,781 |
| Total liabilities | \$ 7,684,404 |
| Total net position | \$ 4,934,377 |
| Total revenues | \$ 33,778,951 |
| Total expenses | \$ 34,880,230 |
| Change in net position | \$ (1,101,279) |

The relationship between the District and the Joint Powers Authorities is such that the Joint Powers Authorities are not component units of the District for financial reporting purposes.

NOTE 10 - CONTINGENCIES

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

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.

REQUIRED SUPPLEMENTARY INFORMATION

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

| | Budget | | Actual | Variance Favorable (Unfavorable) |
|--|----------------------|----------------------|----------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Local Control Funding Formula: | | | | |
| State apportionment | \$ 30,827,104 | \$ 27,237,637 | \$ 27,218,214 | \$ (19,423) |
| Local sources | <u>43,346,711</u> | <u>46,530,333</u> | <u>46,967,911</u> | <u>437,578</u> |
| Total revenue limit | <u>74,173,815</u> | <u>73,767,970</u> | <u>74,186,125</u> | <u>418,155</u> |
| Federal sources | 2,617,448 | 3,306,471 | 2,750,361 | (556,110) |
| Other state sources | 3,420,150 | 6,944,776 | 6,787,654 | (157,122) |
| Other local sources | <u>5,788,281</u> | <u>6,449,191</u> | <u>6,772,862</u> | <u>323,671</u> |
| Total revenues | <u>85,999,694</u> | <u>90,468,408</u> | <u>90,497,002</u> | <u>28,594</u> |
| Expenditures: | | | | |
| Certificated salaries | 44,906,083 | 47,090,218 | 46,864,863 | 225,355 |
| Classified salaries | 11,928,983 | 12,274,299 | 12,264,981 | 9,318 |
| Employee benefits | 15,266,651 | 17,302,437 | 17,096,275 | 206,162 |
| Books and supplies | 6,585,098 | 6,154,481 | 5,359,570 | 794,911 |
| Contract services and operating expenditures | 10,017,437 | 8,678,313 | 7,784,292 | 894,021 |
| Capital outlay | 67,500 | 247,333 | 240,108 | 7,225 |
| Other outgo | 1,003,373 | 1,070,489 | 967,635 | 102,854 |
| Debt service: | | | | |
| Principal retirement | 505,000 | 513,705 | 533,387 | (19,682) |
| Interest | <u>68,160</u> | <u>69,530</u> | <u>72,680</u> | <u>(3,150)</u> |
| Total expenditures | <u>90,348,285</u> | <u>93,400,805</u> | <u>91,183,791</u> | <u>2,217,014</u> |
| (Deficiency) excess of revenues (under) over expenditures | <u>(4,348,591)</u> | <u>(2,932,397)</u> | <u>(686,789)</u> | <u>2,245,608</u> |
| Other financing sources (uses): | | | | |
| Operating transfers in | 764,451 | 812,487 | 803,172 | (9,315) |
| Operating transfers out | <u>(945,600)</u> | <u>(1,065,600)</u> | <u>(1,065,600)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(181,149)</u> | <u>(253,113)</u> | <u>(262,428)</u> | <u>(9,315)</u> |
| Net change in fund balance | (4,529,740) | (3,185,510) | (949,217) | 2,236,293 |
| Fund balance, July 1, 2014 | <u>18,091,579</u> | <u>18,091,579</u> | <u>18,091,579</u> | <u>-</u> |
| Fund balance, June 30, 2015 | <u>\$ 13,561,839</u> | <u>\$ 14,906,069</u> | <u>\$ 17,142,362</u> | <u>\$ 2,236,293</u> |

See accompanying note to required supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2015

State Teachers' Retirement Plan
Last 10 Fiscal Years

| | <u>2015</u> |
|--|----------------------|
| District's proportion of the net pension liability | 0.099% |
| District's proportionate share of the net pension liability | \$ 57,942,000 |
| State's proportionate share of the net pension liability associated with the District | <u>34,988,000</u> |
| Total net pension liability | <u>\$ 92,930,000</u> |
| District's covered-employee payroll | 44,163,000 |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 131.20% |
| Plan fiduciary net position as a percentage of the total pension liability | 76.52% |

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)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2015

Public Employer's Retirement Fund B
Last 10 Fiscal Years

| | <u>2015</u> |
|--|---------------|
| District's proportion of the net pension liability | 0.099% |
| District's proportionate share of the net pension liability | \$ 11,230,000 |
| District's covered-employee payroll | \$ 10,384,000 |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 108.15% |
| Plan fiduciary net position as a percentage of the total pension liability | 83.38% |

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.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2015

State Teachers' Retirement Plan
Last 10 Fiscal Years

| | <u>2015</u> |
|--|---------------|
| Contractually required contribution | \$ 4,235,196 |
| Contributions in relation to the contractually required contribution | \$ 4,235,196 |
| Contribution deficiency (excess) | \$ - |
| District's covered-employee payroll | \$ 47,694,000 |
| Contributions as a percentage of covered-employee payroll | 8.88% |

All years prior to 2015 are not available.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2015

Public Employer's Retirement Fund B
Last 10 Fiscal Years

| | <u>2015</u> |
|--|---------------|
| Contractually required contribution | \$ 1,365,626 |
| Contributions in relation to the contractually required contribution | \$ 1,365,626 |
| Contribution deficiency (excess) | \$ - |
| District's covered-employee payroll | \$ 11,602,000 |
| Contributions as a percentage of covered-employee payroll | 11.77% |

All years prior to 2015 are not available.

NOTE 1 - PURPOSE OF SCHEDULES

A - Budgetary Comparison Schedule

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

B - 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.

C - Schedule of the District's Contributions

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

D - Changes of Benefit Terms

There are no changes in benefit terms reported in the Required Supplementary Information.

E - Changes of Assumptions

There are no changes in assumptions reported in the Required Supplementary Information.

SUPPLEMENTARY INFORMATION

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL NON-MAJOR FUNDS
 June 30, 2015

| | Adult Education Fund | Cafeteria Fund | Deferred Main- tenance Fund | Pupil Transpor- tation Equipment Fund | Special Reserve for Capital Outlay Projects Fund | Total |
|--|----------------------------|-------------------|--------------------------------------|---|---|---------------------|
| ASSETS | | | | | | |
| Cash in County Treasury | \$ 555,092 | \$ 602,854 | \$ 1,855,651 | \$ 49,309 | \$ 446,709 | \$ 3,509,615 |
| Cash on hand and in banks | - | 214,749 | - | - | - | 214,749 |
| Cash in revolving fund | 100 | - | - | - | - | 100 |
| Receivables | 188,105 | 3,891 | 1,309 | 341,382 | 314 | 535,001 |
| Due from other funds | - | 2,707 | - | - | - | 2,707 |
| Stores inventory | - | 76,475 | - | - | - | 76,475 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 743,297</u> | <u>\$ 900,676</u> | <u>\$ 1,856,960</u> | <u>\$ 390,691</u> | <u>\$ 447,023</u> | <u>\$ 4,338,647</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 80,528 | \$ 3,680 | \$ 235,749 | \$ - | \$ 173,326 | \$ 493,283 |
| Unearned revenue | 184,629 | - | - | - | - | 184,629 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>265,157</u> | <u>3,680</u> | <u>235,749</u> | <u>-</u> | <u>173,326</u> | <u>677,912</u> |
| Fund balances: | | | | | | |
| Nonspendable | 100 | 76,475 | - | - | - | 76,575 |
| Restricted | 478,040 | 820,521 | 1,621,211 | 390,691 | 273,697 | 3,584,160 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | <u>478,140</u> | <u>896,996</u> | <u>1,621,211</u> | <u>390,691</u> | <u>273,697</u> | <u>3,660,735</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities and fund balances | <u>\$ 743,297</u> | <u>\$ 900,676</u> | <u>\$ 1,856,960</u> | <u>\$ 390,691</u> | <u>\$ 447,023</u> | <u>\$ 4,338,647</u> |

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
 ALL NON-MAJOR FUNDS
 For the Year Ended June 30, 2015

| | Adult Education Fund | Cafeteria Fund | Deferred Main- tenance Fund | Pupil Transpor- tation Equipment Fund | Special Reserve for Capital Outlay Projects Fund | Total |
|--|----------------------------|-------------------|--------------------------------------|---|---|---------------------|
| Revenues: | | | | | | |
| Local Control Funding Formula: | | | | | | |
| State apportionment | \$ 793,275 | \$ - | \$ 785,000 | \$ - | \$ - | \$ 1,578,275 |
| Federal sources | 337,646 | 1,323,837 | - | - | - | 1,661,483 |
| Other state sources | 127,319 | 104,018 | - | 359,348 | - | 590,685 |
| Other local sources | <u>62,330</u> | <u>1,851,161</u> | <u>20,521</u> | <u>22,281</u> | <u>\$ 4,534</u> | <u>1,960,827</u> |
| Total revenues | <u>1,320,570</u> | <u>3,279,016</u> | <u>805,521</u> | <u>381,629</u> | <u>4,534</u> | <u>5,791,270</u> |
| Expenditures: | | | | | | |
| Certificated salaries | 661,007 | - | - | - | - | 661,007 |
| Classified salaries | 160,719 | 1,252,015 | - | - | - | 1,412,734 |
| Employee benefits | 217,249 | 285,699 | - | - | - | 502,948 |
| Books and supplies | 185,261 | 1,676,312 | - | 759 | 1,799 | 1,864,131 |
| Contract services and operating expenditures | 91,761 | 74,766 | 760,727 | - | 701,298 | 1,628,552 |
| Capital outlay | <u>-</u> | <u>6,926</u> | <u>9,444</u> | <u>731,253</u> | <u>10,108</u> | <u>757,731</u> |
| Total expenditures | <u>1,315,997</u> | <u>3,295,718</u> | <u>770,171</u> | <u>732,012</u> | <u>713,205</u> | <u>6,827,103</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>4,573</u> | <u>(16,702)</u> | <u>35,350</u> | <u>(350,383)</u> | <u>(708,671)</u> | <u>(1,035,833)</u> |
| Other financing sources (uses): | | | | | | |
| Operating transfers in | - | - | - | 150,000 | 870,600 | 1,020,600 |
| Operating transfers out | <u>(47,155)</u> | <u>(182,857)</u> | <u>-</u> | <u>-</u> | <u>(75,000)</u> | <u>(305,012)</u> |
| Total other financing sources (uses) | <u>(47,155)</u> | <u>(182,857)</u> | <u>-</u> | <u>150,000</u> | <u>795,600</u> | <u>715,588</u> |
| Net change in fund balances | (42,582) | (199,559) | 35,350 | (200,383) | 86,929 | (320,245) |
| Fund balances, July 1, 2014 | <u>520,722</u> | <u>1,096,555</u> | <u>1,585,861</u> | <u>591,074</u> | <u>186,768</u> | <u>3,980,980</u> |
| Fund balances, June 30, 2015 | <u>\$ 478,140</u> | <u>\$ 896,996</u> | <u>\$ 1,621,211</u> | <u>\$ 390,691</u> | <u>\$ 273,697</u> | <u>\$ 3,660,735</u> |

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended June 30, 2015

| | Balance July 1, <u>2014</u> | <u>Additions</u> | <u>Deductions</u> | Balance June 30, <u>2015</u> |
|-----------------------------|-----------------------------------|----------------------|----------------------|------------------------------------|
| WARRANT PASS-THROUGH | | | | |
| Assets: | | | | |
| Cash in County Treasury | \$ 1,277,130 | \$ 78,208,436 | \$ 78,091,074 | \$ 1,394,492 |
| Cash on hand and in banks | 2,644 | - | 2,644 | - |
| Receivables | <u>-</u> | <u>2,903</u> | <u>-</u> | <u>2,903</u> |
| Total assets | <u>\$ 1,279,774</u> | <u>\$ 78,211,339</u> | <u>\$ 78,093,718</u> | <u>\$ 1,397,395</u> |
| Liabilities: | | | | |
| Due to other agencies | <u>\$ 1,279,774</u> | <u>\$ 78,211,339</u> | <u>\$ 78,093,718</u> | <u>\$ 1,397,395</u> |

STUDENT BODY ACCOUNTS

Woodcreek High

| | | | | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| Assets: | | | | |
| Cash in County Treasury | \$ - | \$ - | \$ - | \$ - |
| Cash on hand and in banks | <u>228,579</u> | <u>690,307</u> | <u>728,768</u> | <u>190,118</u> |
| Total assets | <u>\$ 228,579</u> | <u>\$ 690,307</u> | <u>\$ 728,768</u> | <u>\$ 190,118</u> |
| Liabilities: | | | | |
| Due to other agencies | \$ - | \$ - | \$ - | \$ - |
| Due to student groups | <u>228,579</u> | <u>690,307</u> | <u>728,768</u> | <u>190,118</u> |
| Total liabilities | <u>\$ 228,579</u> | <u>\$ 690,307</u> | <u>\$ 728,768</u> | <u>\$ 190,118</u> |

Antelope High

| | | | | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| Assets: | | | | |
| Cash in County Treasury | \$ - | \$ - | \$ - | \$ - |
| Cash on hand and in banks | <u>152,434</u> | <u>475,814</u> | <u>484,589</u> | <u>143,659</u> |
| Total assets | <u>\$ 152,434</u> | <u>\$ 475,814</u> | <u>\$ 484,589</u> | <u>\$ 143,659</u> |
| Liabilities: | | | | |
| Due to other agencies | \$ - | \$ - | \$ - | \$ - |
| Due to student groups | <u>152,434</u> | <u>475,814</u> | <u>484,589</u> | <u>143,659</u> |
| Total liabilities | <u>\$ 152,434</u> | <u>\$ 475,814</u> | <u>\$ 484,589</u> | <u>\$ 143,659</u> |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended June 30, 2015

| | Balance July 1, <u>2014</u> | <u>Additions</u> | <u>Deductions</u> | Balance June 30, <u>2015</u> |
|---------------------------|-----------------------------------|---------------------|---------------------|------------------------------------|
| <u>Oakmont High</u> | | | | |
| Assets: | | | | |
| Cash in County Treasury | \$ - | \$ - | \$ - | \$ - |
| Cash on hand and in banks | <u>218,983</u> | <u>473,370</u> | <u>548,181</u> | <u>144,172</u> |
| Total assets | <u>\$ 218,983</u> | <u>\$ 473,370</u> | <u>\$ 548,181</u> | <u>\$ 144,172</u> |
| Liabilities: | | | | |
| Due to other agencies | \$ - | \$ - | \$ - | \$ - |
| Due to student groups | <u>218,983</u> | <u>473,370</u> | <u>548,181</u> | <u>144,172</u> |
| Total liabilities | <u>\$ 218,983</u> | <u>\$ 473,370</u> | <u>\$ 548,181</u> | <u>\$ 144,172</u> |
| <u>Granite Bay High</u> | | | | |
| Assets: | | | | |
| Cash in County Treasury | \$ - | \$ - | \$ - | \$ - |
| Cash on hand and in banks | <u>483,133</u> | <u>1,129,763</u> | <u>1,179,481</u> | <u>433,415</u> |
| Total assets | <u>\$ 483,133</u> | <u>\$ 1,129,763</u> | <u>\$ 1,179,481</u> | <u>\$ 433,415</u> |
| Liabilities: | | | | |
| Due to other agencies | \$ - | \$ - | \$ - | \$ - |
| Due to student groups | <u>483,133</u> | <u>1,129,763</u> | <u>1,179,481</u> | <u>433,415</u> |
| Total liabilities | <u>\$ 483,133</u> | <u>\$ 1,129,763</u> | <u>\$ 1,179,481</u> | <u>\$ 433,415</u> |
| <u>Roseville High</u> | | | | |
| Assets: | | | | |
| Cash in County Treasury | \$ - | \$ - | \$ - | \$ - |
| Cash on hand and in banks | <u>335,087</u> | <u>446,846</u> | <u>467,837</u> | <u>314,096</u> |
| Total assets | <u>\$ 335,087</u> | <u>\$ 446,846</u> | <u>\$ 467,837</u> | <u>\$ 314,096</u> |
| Liabilities: | | | | |
| Due to other agencies | \$ - | \$ - | \$ - | \$ - |
| Due to student groups | <u>335,087</u> | <u>446,846</u> | <u>467,837</u> | <u>314,096</u> |
| Total liabilities | <u>\$ 335,087</u> | <u>\$ 446,846</u> | <u>\$ 467,837</u> | <u>\$ 314,096</u> |

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended June 30, 2015

| | Balance July 1, <u>2014</u> | <u>Additions</u> | <u>Deductions</u> | Balance June 30, <u>2015</u> |
|-----------------------------------|-----------------------------------|---------------------|---------------------|------------------------------------|
| <u>Total Student Body Account</u> | | | | |
| Assets: | | | | |
| Cash in County Treasury | \$ - | \$ - | \$ - | \$ - |
| Cash on hand and in banks | <u>1,418,216</u> | <u>3,216,100</u> | <u>3,408,856</u> | <u>1,225,460</u> |
| Total assets | <u>\$ 1,418,216</u> | <u>\$ 3,216,100</u> | <u>\$ 3,408,856</u> | <u>\$ 1,225,460</u> |
| Liabilities: | | | | |
| Due to other agencies | - | - | - | - |
| Due to student groups | <u>1,418,216</u> | <u>3,216,100</u> | <u>3,408,856</u> | <u>1,225,460</u> |
| Total liabilities | <u>\$ 1,418,216</u> | <u>\$ 3,216,100</u> | <u>\$ 3,408,856</u> | <u>\$ 1,225,460</u> |

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
ORGANIZATION
June 30, 2015

Roseville Joint Union High School District was established in 1912 and is comprised of an area of approximately 108 square miles in Placer and Sacramento Counties. There were no changes in the boundaries of the District during the current year. The District is a political subdivision of the State of California. The District is currently operating five high schools, one continuation education school, one adult education school, and an independent study program.

GOVERNING BOARD

| <u>Name</u> | <u>Office</u> | <u>Term Expires</u> |
|----------------|----------------|---------------------|
| Linda M. Park | President | November 2018 |
| Paige Stauss | Vice President | November 2016 |
| Scott E. Huber | Clerk | November 2018 |
| Rene Aguilera | Member | November 2016 |
| R. Jan Pinney | Member | November 2016 |

ADMINISTRATION

Ron Severson
Superintendent

Gary Stevens
Assistant Superintendent, Business Services

Steve Williams
Assistant Superintendent, Personnel Services

John Montgomery
Assistant Superintendent, Curriculum and Instruction

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2015

| | <u>Second Period Report</u> | <u>Revised Second Period Report</u> | <u>Annual Report</u> |
|-------------------|-------------------------------------|---|--------------------------|
| Secondary: | | | |
| Regular Classes | 9,762 | 9,762 | 9,717 |
| Special Education | <u>16</u> | <u>16</u> | <u>15</u> |
| ADA Totals | <u><u>9,778</u></u> | <u><u>9,778</u></u> | <u><u>9,732</u></u> |

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2015

| <u>Grade Level</u> | <u>1986-87 Minutes Require- ment</u> | <u>Reduced 1986-87 Minutes Require- ment</u> | <u>2014-15 Actual Minutes</u> | <u>Number of Days Traditional Calendar</u> | <u>Status</u> |
|--------------------|--|--|---------------------------------------|--|---------------|
| Grade 9 | 64,800 | 63,000 | 65,031 | 180 | In Compliance |
| Grade 10 | 64,800 | 63,000 | 65,031 | 180 | In Compliance |
| Grade 11 | 64,800 | 63,000 | 65,031 | 180 | In Compliance |
| Grade 12 | 64,800 | 63,000 | 65,006 | 180 | In Compliance |

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2015

| Federal Catalog Number | Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Pass- Through Entity Identifying Number | Federal Expend- itures |
|---|---|---|------------------------------|
| <u>U.S. Department of Education - Passed through California Department of Education</u> | | | |
| | Adult Education Programs: | | |
| 84.002A | Adult Basic Education: English Literacy & Civics Education - Local Grant | 14109 | \$ 83,443 |
| 84.002 | Adult Secondary Education (Section 231) | 13978 | 166,487 |
| 84.002A | Adult Education: Adult Basic Education & ESL (Section 231) | 14508 | <u>87,716</u> |
| | Subtotal Adult Education Programs | | <u>337,646</u> |
| | Special Education Programs: | | |
| 84.027 | IDEA Basic Local Assistance Entitlement, Part B, Section 611 | 13379 | 1,250,128 |
| 84.027A | IDEA Mental Health Services, Part B, Sec 611 | 14468 | <u>85,070</u> |
| | Subtotal Special Education Programs | | <u>1,335,198</u> |
| | Title III Programs: | | |
| 84.365 | NCLB, Title III, Immigrant Education Program | 14346 | 15,980 |
| 84.365 | NCLB, Title III: Limited English Proficiency (LEP) Student Program | 10084 | <u>47,292</u> |
| | Subtotal Title III Programs | | <u>63,272</u> |
| 84.367 | NCLB, Title II, Part A, Improving Teacher Quality Local Grants | 14341 | 131,292 |
| 84.010 | NCLB, Title I, Part A, Basic Grant, Low Income and Neglected | 14329 | 911,212 |
| 84.048 | Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education) | 14894 | 168,017 |
| 84.196 | NCLB, Title X: McKinney-Vento Homeless Children Assistance Grant | 14332 | 98,749 |
| 84.330B | Advance Placement Program | 14831 | <u>21,965</u> |
| | Total U.S. Department of Education | | <u>3,067,351</u> |
| <u>U.S. Department of Health and Human Services - Passed through California Department of Education</u> | | | |
| 93.778 | Medi-Cal Admin Activities (MAA) | 10060 | 20,196 |
| <u>U.S. Department of Agriculture - Passed through California Department of Education</u> | | | |
| 10.553 | Child Nutrition: School Programs | 13390 | <u>1,323,837</u> |
| | Total Federal Programs | | <u>\$ 4,411,384</u> |

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2015
(UNAUDITED)

| <u>General Fund</u> | (Budgeted) <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|---------------------------|-----------------------|-----------------------|-----------------------|
| Revenues and other financing sources | \$ <u>101,828,537</u> | \$ <u>91,300,174</u> | \$ <u>81,323,583</u> | \$ <u>75,454,958</u> |
| Expenditures | 95,994,337 | 91,183,791 | 81,264,234 | 75,320,437 |
| Other uses and transfers out | <u>845,000</u> | <u>1,065,600</u> | <u>525,600</u> | <u>744,980</u> |
| Total outgo | <u>96,839,337</u> | <u>92,249,391</u> | <u>81,789,834</u> | <u>76,065,417</u> |
| Change in fund balance | <u>\$ 4,989,200</u> | <u>\$ (949,217)</u> | <u>\$ (466,251)</u> | <u>\$ (610,459)</u> |
| Ending fund balance | <u>\$ 22,131,562</u> | <u>\$ 17,142,362</u> | <u>\$ 18,091,579</u> | <u>\$ 18,557,830</u> |
| Available reserves | <u>\$ 12,296,757</u> | <u>\$ 12,296,756</u> | <u>\$ 12,830,820</u> | <u>\$ 14,676,500</u> |
| Designated for economic uncertainties | <u>\$ 9,941,844</u> | <u>\$ 9,941,844</u> | <u>\$ 9,831,433</u> | <u>\$ 4,074,049</u> |
| Undesignated fund balance | <u>\$ 2,354,913</u> | <u>\$ 2,354,912</u> | <u>\$ 2,999,387</u> | <u>\$ 10,602,451</u> |
| Available reserves as a percentage of total outgo | <u>12.70%</u> | <u>12.69%</u> | <u>15.57%</u> | <u>19.33%</u> |
| Total long-term liabilities | <u>\$ 174,549,994</u> | <u>\$ 188,237,533</u> | <u>\$ 126,909,567</u> | <u>\$ 132,842,808</u> |
| Average daily attendance at P-2, excluding classes for adults | <u>9,780</u> | <u>9,778</u> | <u>9,804</u> | <u>9,754</u> |

The General Fund fund balance has decreased by \$2,025,927 over the past three years. The District projects an increase of \$4,989,200 for the fiscal year ending June 30, 2016. For a district this size, the State of California recommends available reserves of at least three percent of total General Fund expenditures, transfers out and other uses. The District maintains reserves in excess of recommended levels.

The District has incurred operating deficits in each of the past three years, and anticipates incurring an operating surplus during the 2015-2016 fiscal year.

Total long-term liabilities have increased by \$55,394,725 over the past two years.

Average daily attendance has increased by 24 over the past two years and is anticipated to increase by 2 from June 30, 2015 to the year ending June 30, 2016.

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2015

Charter Schools Chartered by District

There are no charter schools operating in the District.

Included in District
Financial Statements, or
Separate Report

N/A

See accompanying notes to supplementary information.

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 NOTES TO SUPPLEMENTARY INFORMATION
 June 30, 2015

NOTE 1 - PURPOSE OF SCHEDULES

A - Schedule of Average Daily Attendance

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

B - Schedule of Instructional Time

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

C - Schedule of Expenditure of Federal Awards

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

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Change in Fund Balances and the related expenditures reported on the Schedule of Expenditure of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues that have not been expended by June 30, 2015.

| <u>Description</u> | <u>Number</u> | <u>CFDA Amount</u> |
|---|---------------|------------------------|
| Total Federal revenues, Statement of Revenues, Expenditures and Change in Fund Balances | | \$ 4,411,844 |
| Less: Medi-Cal Billing Option revenues in excess of expenditures | 93.778 | <u>(460)</u> |
| Total Schedule of Expenditure of Federal Awards | | <u>\$ 4,411,384</u> |

D - Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the Unaudited Actual Financial Report to the audited financial statements.

(Continued)

NOTE 1 - PURPOSE OF SCHEDULES (Continued)

E - Schedule of Financial Trends and Analysis - Unaudited

This schedule provides trend information on fund balances, revenues, expenditures and average daily attendance, as required by the State Controller's Office. The information in this section has been derived from audited information.

F - Schedule of Charter Schools

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

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosures 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, 2015, the District did not adopt such a program.

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

Board of Education
 Roseville Joint Union High School District
 Roseville, California

Report on Compliance with State Laws and Regulations

We have audited Roseville Joint Union High School District's compliance with the types of compliance requirements described in the State of California's *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* to the state laws and regulations listed below for the year ended June 30, 2015.

| <u>Description</u> | <u>Procedures Performed</u> |
|---|-----------------------------|
| Attendance | Yes |
| Teacher Certification and Misassignments | Yes |
| Kindergarten Continuance | No, see below |
| Independent Study | Yes |
| Continuation Education | Yes |
| Instructional Time | Yes |
| Instructional Materials | Yes |
| Ratio of Administrative Employees to Teachers | Yes |
| Classroom Teacher Salaries | Yes |
| Early Retirement Incentive | No, see below |
| Gann Limit Calculation | Yes |
| School Accountability Report Card | Yes |
| Juvenile Court Schools | No, see below |
| Middle or Early College High Schools | No, see below |
| K-3 Grade Span Adjustment | No, see below |
| Transportation Maintenance of Effort | Yes |
| Regional Occupational Centers or Programs Maintenance of Effort | No, see below |
| Adult Education Maintenance of Effort | Yes |
| California Clean Energy Jobs Act | Yes |
| After School Education and Safety Program: | |
| General requirements | No, see below |
| After school | No, see below |
| Before school | No, see below |
| Proper Expenditure of Education Protection Account Funds | Yes |
| Common Core Implementation Funds | Yes |
| Unduplicated Local Control Funding Formula Pupil Counts | Yes |
| Local Control and Accountability Plan | Yes |
| Attendance, for charter schools | No, see below |
| Mode of Instruction, for charter schools | No, see below |
| Nonclassroom-Based Instruction/Independent Study, for charter schools | No, see below |
| Determination of Funding for Nonclassroom-Based Instruction, for charter schools | No, see below |
| Annual Instructional Minutes - Classroom-Based, for charter schools | No, see below |
| Charter School Facility Grant Program | No, see below |

(Continued)

We did not perform any procedures related to Kindergarten Continuance because the District is a high school district and does not have any grades K-8.

We did not perform any procedures related to Early Retirement Incentive Program because the District did not offer this program.

The District does not operate a Juvenile Court Schools Program; therefore, we did not perform any testing of these programs.

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

We did not perform any procedures related to K-3 Grade Span Adjustment because the District is a high school district and does not have any grades K-3.

We did not perform any procedures related to the Regional Occupational Centers or Programs Maintenance of Effort because the District did not have any expenditures charged to this program.

We did not perform any procedures related to After School Education and Safety Program because the District did not receive any After School Education and Safety Program funding in the current year.

We did not perform any procedures related to charter schools because the District does not sponsor any charter schools.

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance with state laws and regulations as listed above, of Roseville Joint Union High School District. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State of California's *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed below occurred. An audit includes examining, on a test basis, evidence about Roseville Joint Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with state laws and regulations. However, our audit does not provide a legal determination of Roseville Joint Union High School District's compliance.

Basis for Qualified Opinion on Compliance with State Laws and Regulations

As described in Finding 2015-002 in the accompanying Schedule of Audit Findings and Questioned Costs, Roseville Joint Union High School District did not comply with the requirements regarding Independent Study. Compliance with such requirements is necessary, in our opinion, for Roseville Joint Union High School District to comply with state laws and regulations applicable to Independent Study.

(Continued)

Qualified Opinion on Compliance with State Laws and Regulations

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Roseville Joint Union High School District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2015. Further, based on our examination, for items not tested, nothing came to our attention to indicate that Roseville Joint Union High School District had not complied with the state laws and regulations.

Other Matter

Roseville Joint Union High School District's response to the finding identified in our audit is included in the accompanying Schedule of Audit Findings and Questioned Costs. Roseville Joint Union High School District's response was not subjected to auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the State of California's *2014-15 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 Horwath LLP

Sacramento, California
November 20, 2015

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
Roseville Joint Union High School District
Roseville, 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 Roseville Joint Union High School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Roseville Joint Union High School District's basic financial statements, and have issued our report thereon dated November 20, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified a deficiency in internal control that we communicated to management as described in the accompanying Schedule of Audit Findings and Questioned Costs Costs as Finding 2015-001.

(Continued)

Compliance and Other Matters

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

Response to Finding

Roseville Joint Union High School District's response to the finding identified in our audit is described in the accompanying schedule of Audit Findings and Questioned Costs. Roseville Joint Union High School District's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Crowe Horwath LLP

Sacramento, California
November 20, 2015

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

Board of Education
Roseville Joint Union High School District
Roseville, California

Report on Compliance for Each Major Federal Program

We have audited Roseville Joint Union High School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Roseville Joint Union High School District's major federal programs for the year ended June 30, 2015. Roseville Joint Union High School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Roseville Joint Union High School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Roseville Joint Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Roseville Joint Union High School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Roseville Joint Union High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

(Continued)

Report on Internal Control Over Compliance

Management of Roseville Joint Union High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Roseville Joint Union High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Roseville Joint Union High School District's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Crowe Horwath LLP

Sacramento, California
November 20, 2015

FINDINGS AND RECOMMENDATIONS

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified not considered
to be material weakness(es)? _____ Yes X None reported

Noncompliance material to financial statements
noted? _____ Yes X No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified not considered
to be material weakness(es)? _____ Yes X None reported

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

Any audit findings disclosed that are required to be
reported in accordance with Circular A-133,
Section .510(a)? _____ Yes X No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------------|--|
| 84.002 and 84.002A 10.553 | Adult Education Programs Child Nutrition: School Programs |

Dollar threshold used to distinguish between Type A
and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X Yes _____ No

STATE AWARDS

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

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

2015-001 DEFICIENCY - STUDENT BODY ACCOUNTING (30000)

Criteria

Education Code Section 48930 (and California Department of Education's "Accounting Procedures for Student Organizations Handbook") requires student body organizations to follow the regulations set by the Governing Board of the school district.

Condition

At Oakmont High School:

- No record of receipt books issued to student clubs.
- No evidence of dual counts being performed during cash collection.

At Woodcreek High School:

- No evidence of dual counts being performed during cash collection.

Effect

ASB funds could potentially be misappropriated.

Cause

Adequate internal control procedures have not been implemented and enforced.

Fiscal Impact

Not determinable.

Recommendation

- Sub-receipt books should be issued to those collecting ASB moneys and records of sub receipt books should be maintained by ASB advisors.
- Funds should be counted in dual custody and evidenced by initials or a signature.

Corrective Action Plan

The District agrees with the audit findings and recommended actions to be implemented. School Site Administration has the primary responsibility to ensure site staff follows all proper internal control guidelines in order to help prevent fraud or misappropriation of assets of student body accounts. The District Office will provide oversight and guidance to ensure the recommended actions are adhered to and will perform annual internal audits to ensure that proper procedures are followed.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2015-002 STATE COMPLIANCE - INDEPENDENT STUDY (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 the attendance reported to the State.

California Education Code Section 51747 - Paragraph 8 (A) - Each written agreement shall be signed, before the commencement of independent study, by the pupil, the pupil's parent, legal guardian, or caregiver, if the pupil is less than 18 years of age, the certificated employee who has been designated as having responsibility for the general supervision of independent study, and all persons who have direct responsibility for providing assistance to the pupil. For purposes of this paragraph "caregiver" means a person who has met the requirements of Part 1.5 (commencing with Section 6550) of the Family Code.

Condition

At Independence High School:

- The number of days reported for 5 students were understated by 35 days. The student files had appropriate assignment records to support the attendance for those days the students were marked absent.
- Attendance was claimed for 2 students prior to the written agreement being signed by all required parties, resulting in an overstatement of 4 days.

Effect

The error resulted in a net understatement of 31 days of attendance, which is equivalent to 0.23 ADA.

Cause

The errors were the result of clerical errors in the accounting for attendance.

Fiscal Impact

Fiscal impact is not calculated because the error is below 0.50 ADA.

Recommendation

The District should ensure all pupil attendance is accurately reflected in the attendance system. Additionally, the District should review independent study agreements and ensure attendance is only claimed after the agreement has been signed by all required parties.

Corrective Action Plan

The District agrees with the audit finding and recommended action to be implemented. School Site Administration has the primary responsibility to ensure the site accurately reports the pupil attendance. The District Office will provide oversight and guidance to ensure the recommended actions are adhered to and will perform annual internal audits to ensure that proper procedures are followed.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2015

| <u>Finding/Recommendation</u> | <u>Current Status</u> | <u>District Explanation If Not Implemented</u> |
|--|-----------------------|--|
| 2014-001 At Roseville High School, one student was improperly counted as present for one day of apportionment attendance although the District had evidence that the student was absent. The District should revise and resubmit the Second Period Report of Attendance removing the disallowed attendance. Additionally, the District should ensure all pupil attendance is accurately reflected in the attendance system. | Implemented | |

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATES

The Roseville Joint Union High School District will execute a Continuing Disclosure Certificate in substantially the following form in connection with the issuance of the Series A Refunding Bonds.

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Roseville Joint Union High School District (the “District”) in connection with the issuance of \$3,800,000 Roseville Joint Union High School District (Placer and Sacramento Counties, California) 2016 General Obligation Refunding Bonds, Series A. The Bonds are being issued pursuant to a resolution of the Board of Trustees of the District adopted on July 26, 2016 (the “Resolution”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

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

“Dissemination Agent” shall mean initially Keygent LLC, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Sections 5(a) or (b) of this Disclosure Certificate.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than eight months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2015-16 Fiscal Year (which is due no later than March 1, 2017), provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall in a timely manner send a notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports.

(a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

- (a) The District's approved annual budget for the then-current fiscal year;
- (b) Assessed value of taxable property in the District as shown on the most recent equalized assessment roll;
- (c) Secured tax levy collections and delinquencies within the District for the last completed year, except to the extent that the Teeter Plan, if and as adopted by

Placer County and Sacramento County, applies to both the 1% general purpose *ad valorem* property tax levy and to the Bonds; and

- (d) Top 20 property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their taxable value and their percentage of total assessed value, if material.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.
2. tender offers.
3. defeasances.
4. rating changes.
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, adverse tax opinions or Notices of Proposed Issue (IRS Form 5701-TEB).
6. unscheduled draws on the debt service reserves reflecting financial difficulties.
7. unscheduled draws on credit enhancement reflecting financial difficulties.
8. substitution of the credit or liquidity providers or their failure to perform.
9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. optional, contingent or unscheduled bond calls.
4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District.

The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

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

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

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

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

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this

Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: October 5, 2016

ROSEVILLE JOINT UNION HIGH SCHOOL
DISTRICT

By _____
Assistant Superintendent, Business Services

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

Name of Bond Issues: 2016 General Obligation Refunding Bonds, Series A

Date of Issuance: October 5, 2016

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

ROSEVILLE JOINT UNION HIGH SCHOOL
DISTRICT

By _____ [form only; no signature required]

The Roseville Joint Union High School District will execute a Continuing Disclosure Certificate in substantially the following form in connection with the issuance of the Series B Refunding Bonds.

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Roseville Joint Union High School District (the “District”) in connection with the issuance of \$5,872,855.80 Roseville Joint Union High School District (Placer and Sacramento Counties, California) 2016 General Obligation Refunding Bonds, Series B (School Facilities Improvement District No. 1) (the “Improvement District”) (Placer County, California) (the “Bonds”). The Bonds are being issued pursuant to a resolution of the Board of Trustees of the District adopted on July 26, 2016 (the “Resolution”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

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

“Dissemination Agent” shall mean initially Keygent LLC, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Sections 5(a) or (b) of this Disclosure Certificate.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than eight months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2015-16 Fiscal Year (which is due no later than March 1, 2017), provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall in a timely manner send a notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports.

(a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

- (a) The District's approved annual budget for the then-current fiscal year;
- (b) Assessed value of taxable property in the Improvement District as shown on the most recent equalized assessment roll;
- (c) Secured tax levy collections and delinquencies within the Improvement District for the last completed year, except to the extent that the Teeter Plan, if and as

adopted by Placer County, applies to both the 1% general purpose *ad valorem* property tax levy and to the Bonds; and

- (d) Top 20 property owners in the Improvement District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their taxable value and their percentage of total assessed value, if material.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.
2. tender offers.
3. defeasances.
4. rating changes.
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, adverse tax opinions or Notices of Proposed Issue (IRS Form 5701-TEB).
6. unscheduled draws on the debt service reserves reflecting financial difficulties.
7. unscheduled draws on credit enhancement reflecting financial difficulties.
8. substitution of the credit or liquidity providers or their failure to perform.
9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. optional, contingent or unscheduled bond calls.
4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District.

The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

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

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

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

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

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this

Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: October 5, 2016

ROSEVILLE JOINT UNION HIGH SCHOOL
DISTRICT

By _____
Assistant Superintendent, Business Services

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

Name of Bond Issues: 2016 General Obligation Refunding Bonds, Series B (School Facilities Improvement District No. 1) (Placer County, California)

Date of Issuance: October 5, 2016

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

ROSEVILLE JOINT UNION HIGH SCHOOL DISTRICT

By _____ [form only; no signature required]

APPENDIX D

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF ROSEVILLE AND PLACER COUNTY

The following information regarding the City of Roseville (the “City”) and the Counties of Placer and Sacramento (collectively, the “Counties”) is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the City or of the Counties. This material has been prepared by or excerpted from the sources noted herein and has not been reviewed for accuracy by the District, Bond Counsel, the Underwriter or the Financial Advisor.

General

The City of Roseville. Located 16 miles from the state capital of Sacramento, the City of Roseville sits at the base of the Sierra Nevada foothills, along the eastern edge of the Sacramento Valley. A charter city operating under a City Manager-Council form of government, Roseville experienced a technology boom in the 1990s, and since then has developed an economy based around skilled workers. The City has worked to achieve infrastructural development designed to manage, yet sustain, economic growth. The City is considered to be the most important railroad center west of the Mississippi River.

Placer County. With an area of over 1,431 square miles, Placer County is located 80 miles northeast of San Francisco. It is a charter county with a County Board of Supervisors consisting of elected supervisors from each of five districts who serve four-year staggered terms. The Sierra Nevada Mountains within the county provide the largest concentration of world class ski resorts in the Western United States and an abundance of year-round recreational opportunities.

Sacramento County. Incorporated in 1850 as one of the original 27 counties of the State of California, the County’s largest city is the seat of government for the State. The County has a charter form of government and is governed by a Board of Supervisors, each of whom is elected from five districts to four-year staggered terms. The County has an area of 994 square miles, and is bordered by Contra Costa and San Joaquin Counties on the south, Amador and El Dorado Counties on the east, Placer and Sutter Counties on the north, and Yolo and Solano Counties on the west. It boasts a wealth of agricultural industry, along with related services.

Population

The following table shows historical population figures for the City, the Counties and the State of California from 2007 through 2016.

POPULATION ESTIMATES
City of Roseville, Placer County, Sacramento County and the State of California
2007 through 2016

| <u>Year</u> ⁽¹⁾ | <u>City of Roseville</u> | <u>Placer County</u> | <u>Sacramento County</u> | <u>State of California</u> |
|----------------------------|------------------------------|--------------------------|------------------------------|--------------------------------|
| 2007 | 108,503 | 325,985 | 1,380,172 | 36,399,676 |
| 2008 | 111,259 | 333,805 | 1,394,510 | 36,704,375 |
| 2009 | 114,869 | 340,995 | 1,406,168 | 36,966,713 |
| 2010 ⁽²⁾ | 118,788 | 348,432 | 1,418,788 | 37,253,956 |
| 2011 | 121,052 | 353,228 | 1,429,653 | 37,536,835 |
| 2012 | 123,973 | 358,152 | 1,440,456 | 37,881,357 |
| 2013 | 127,438 | 362,417 | 1,452,666 | 38,239,207 |
| 2014 | 129,822 | 367,176 | 1,465,654 | 38,567,459 |
| 2015 | 131,433 | 370,238 | 1,481,803 | 38,907,642 |
| 2016 | 134,073 | 373,796 | 1,495,297 | 39,255,883 |

⁽¹⁾ As of January 1.

⁽²⁾ As of April 1.

Source: 2010: U.S. Department of Commerce, Bureau of the Census, for April 1.
2007-09, 2011-16 (2000 and 2010 DRU Benchmark): California Department of Finance for January 1.

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Income

The following table shows the per capita personal income for the Counties, the State of California and the United States for the past ten years.

PER CAPITA PERSONAL INCOME
Placer County, Sacramento County, the State of California, and the United States
2006 through 2015

| <u>Year</u> | <u>Placer County</u> | <u>Sacramento County</u> | <u>State of California</u> | <u>United States</u> |
|-------------|----------------------|--------------------------|----------------------------|----------------------|
| 2006 | 48,149 | 36,910 | \$41,693 | \$38,144 |
| 2007 | 49,397 | 37,938 | 43,182 | 39,821 |
| 2008 | 49,625 | 38,870 | 43,786 | 41,082 |
| 2009 | 46,832 | 38,085 | 41,588 | 39,376 |
| 2010 | 47,292 | 38,453 | 42,411 | 40,277 |
| 2011 | 49,370 | 40,098 | 44,852 | 42,453 |
| 2012 | 52,175 | 41,913 | 47,614 | 44,266 |
| 2013 | 52,832 | 42,676 | 48,125 | 44,438 |
| 2014 | 54,423 | 43,944 | 49,985 | 46,049 |
| 2015 | n/a ⁽¹⁾ | n/a ⁽¹⁾ | 52,651 | 47,669 |

Note: Per capital personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

⁽¹⁾ Annual 2015 county data is not yet available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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Principal Employers

The following tables show the principal employers located in the City and the Counties.

PRINCIPAL EMPLOYERS City of Roseville As of October 2014

| <u>Employer</u> | <u>Description</u> | <u>Number of Employees</u> |
|--|-----------------------------------|----------------------------|
| Kaiser Permanente | Services: Health | 3,231 |
| Hewlett-Packard Co. | Manufacturing: Computer Equipment | 2,132 |
| Sutter Roseville Medical Group | Services: Health | 1,654 |
| Roseville Joint Union High School District | Services: Education | 1,434 |
| Union Pacific Railroad Company | Railroad Transportation | 1,137 |
| Adventist Health System West | Services: Health | 1,019 |
| Roseville City School District | Services: Education | 1,000 |
| City of Roseville | Public Administration | 991 |
| Wal-Mart Superstore | Retail Trade: General Merchandise | 460 |
| LB Construction, Inc. | Building Construction | 404 |

Source: City of Roseville Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2015.

PRINCIPAL EMPLOYERS Placer County 2015

| <u>Employer</u> | <u>Industry</u> | <u>Number of Employees</u> |
|--------------------------------|-----------------------------------|----------------------------|
| Kaiser Permanente | Services: Health | 3,839 |
| Sutter Health | Services: Health | 3,693 |
| County of Placer | Public Administration | 2,378 |
| Hewlett-Packard Co. | Manufacturing: Computer Equipment | 2,000 |
| Thunder Valley Casino Resort | Amusement and Recreation Services | 1,875 |
| PRIDE Industries Inc. | Business Services: Employment | 1,221 |
| City of Roseville | Public Administration | 1,047 |
| Roseville City School District | Services: Education | 1,015 |
| State of California | Public Administration | 993 |
| Raley's Inc. | Retail Trade: Food Stores | 930 |

Source: County of Placer Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015.

PRINCIPAL EMPLOYERS
Sacramento County
2015

| <u>Employer</u> | <u>Industry</u> | <u>Number of Employees</u> |
|-----------------------------------|-----------------------------------|-----------------------------------|
| UC Davis Health System | Services: Health | 9,905 |
| County of Sacramento | Public Administration | 9,241 |
| Sutter/California Health Services | Services: Health | 7,352 |
| Dignity/Mercy Healthcare | Services: Health | 6,212 |
| Intel Corporation | Manufacturing: Computer Equipment | 6,000 |
| Kaiser Permanente | Services: Health | 5,421 |
| Raley's Inc./Bel Air | Retail Trade: Food Stores | 3,289 |
| Apple Inc. | Manufacturing: Computer Equipment | 2,500 |
| VSP Global | Services: Health | 2,382 |
| Health Net of California Inc. | Services: Health | 2,299 |

Source: County of Sacramento Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015

Employment

The following table summarizes the labor force, employment and unemployment figures for the years 2011 through 2015 for the City, the Counties, the State of California and the United States.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
City of Roseville, Placer County, Sacramento County, the State of California, and the United States
2011 through 2015⁽¹⁾

| <u>Year and Area</u> | <u>Labor Force</u> | <u>Employment⁽²⁾</u> | <u>Unemployment⁽³⁾</u> | <u>Unemployment Rate (%)</u> |
|----------------------|--------------------|---------------------------------|-----------------------------------|------------------------------|
| <u>2011</u> | | | | |
| City of Roseville | 56,000 | 49,900 | 6,100 | 10.8% |
| Placer County | 177,900 | 158,800 | 19,100 | 10.8 |
| Sacramento County | 678,400 | 596,500 | 81,900 | 12.1 |
| State of California | 18,419,500 | 16,260,100 | 2,159,400 | 11.7 |
| United States | 153,617,000 | 139,869,000 | 13,747,000 | 8.9 |
| <u>2012</u> | | | | |
| City of Roseville | 56,200 | 50,900 | 5,300 | 9.5 |
| Placer County | 178,800 | 162,000 | 16,800 | 9.4 |
| Sacramento County | 680,200 | 608,400 | 71,800 | 10.6 |
| State of California | 18,554,800 | 16,630,100 | 1,924,700 | 10.4 |
| United States | 154,975,000 | 142,469,000 | 12,506,000 | 8.1 |
| <u>2013</u> | | | | |
| City of Roseville | 56,400 | 52,000 | 4,300 | 7.6 |
| Placer County | 179,200 | 165,600 | 13,600 | 7.6 |
| Sacramento County | 680,000 | 620,200 | 59,800 | 8.8 |
| State of California | 18,671,600 | 17,002,900 | 1,668,700 | 8.9 |
| United States | 155,389,000 | 143,929,000 | 11,460,000 | 7.4 |
| <u>2014</u> | | | | |
| City of Roseville | 63,000 | 59,300 | 3,700 | 5.9 |
| Placer County | 176,600 | 165,500 | 11,100 | 6.3 |
| Sacramento County | 682,500 | 632,500 | 50,000 | 7.3 |
| State of California | 18,811,400 | 17,397,100 | 1,414,300 | 7.5 |
| United States | 155,922,000 | 146,305,000 | 9,617,000 | 6.2 |
| <u>2015</u> | | | | |
| City of Roseville | 64,200 | 61,200 | 3,100 | 4.8 |
| Placer County | 178,200 | 169,200 | 9,000 | 5.0 |
| Sacramento County | 689,000 | 647,600 | 41,400 | 6.0 |
| State of California | 18,993,900 | 17,905,100 | 1,088,800 | 5.7 |
| United States | 157,130,000 | 148,834,000 | 8,296,000 | 5.3 |

Note: Data is not seasonally adjusted.

⁽¹⁾ Annual averages, unless otherwise specified.

⁽²⁾ Includes persons involved in labor-management trade disputes.

⁽³⁾ The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department, March 2015 Benchmark.

Industry

The Counties are included in the Sacramento-Roseville-Arden Arcade Metropolitan Statistical Area (the "MSA"). The distribution of employment in the MSA is presented in the following table for the calendar years 2011 through 2015. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the Counties.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES Sacramento-Roseville-Arden Arcade MSA 2011 through 2015

| <u>Category</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Total Farm | 8,200 | 8,600 | 8,900 | 9,200 | 9,300 |
| Total Nonfarm | 828,900 | 846,700 | 869,300 | 889,600 | 916,100 |
| Total Private | 604,300 | 625,200 | 646,700 | 661,900 | 684,200 |
| Goods Producing | 70,600 | 72,700 | 77,800 | 81,300 | 86,700 |
| Mining and Logging | 500 | 400 | 500 | 500 | 600 |
| Construction | 36,900 | 38,400 | 43,300 | 45,400 | 49,900 |
| Manufacturing | 33,200 | 33,900 | 34,100 | 35,400 | 36,300 |
| Durable Goods | 22,500 | 23,100 | 23,600 | 24,500 | 24,900 |
| Nondurable Goods | 10,700 | 10,800 | 10,500 | 10,900 | 11,400 |
| Service Providing | 758,300 | 774,000 | 791,400 | 808,300 | 829,400 |
| Private Service Producing | 533,700 | 552,500 | 568,900 | 580,600 | 597,400 |
| Trade, Transportation and Utilities | 134,100 | 138,900 | 141,700 | 143,400 | 146,800 |
| Wholesale Trade | 23,700 | 25,200 | 25,000 | 24,500 | 24,600 |
| Retail Trade | 89,400 | 91,800 | 93,800 | 95,300 | 97,500 |
| Transportation, Warehousing and Utilities | 21,100 | 22,000 | 22,900 | 23,600 | 24,600 |
| Information | 16,300 | 15,600 | 14,800 | 13,900 | 14,200 |
| Financial Activities | 46,700 | 48,200 | 49,400 | 48,900 | 50,900 |
| Professional and Business Services | 104,400 | 111,100 | 114,600 | 118,200 | 119,700 |
| Educational and Health Services | 122,500 | 125,600 | 130,700 | 134,300 | 140,300 |
| Leisure and Hospitality | 81,700 | 84,500 | 88,700 | 91,800 | 94,900 |
| Other Services | 28,000 | 28,600 | 29,000 | 30,200 | 30,800 |
| Government | <u>224,600</u> | <u>221,500</u> | <u>222,500</u> | <u>227,800</u> | <u>232,000</u> |
| Total, All Industries | <u>837,100</u> | <u>855,300</u> | <u>878,200</u> | <u>898,800</u> | <u>925,400</u> |

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.

Source: State of California, Employment Development Department, Labor Market Information Division, Sacramento-Roseville-Arden Arcade MSA Industry Employment & Labor Force by Annual Average. March 2015 Benchmark.

Commercial Activity

Summaries of annual taxable sales for the City and the Counties from 2010 through 2014 are shown in the following tables.

ANNUAL TAXABLE SALES
City of Roseville
2010 through 2014⁽¹⁾
(Dollars in Thousands)

| <u>Year</u> | <u>Retail Permits</u> | <u>Retail Stores Taxable Transactions</u> | <u>Total Permits</u> | <u>Total Taxable Transactions</u> |
|-------------|-----------------------|---|----------------------|---------------------------------------|
| 2010 | 3,640 | \$2,814,546 | 4,698 | \$3,251,045 |
| 2011 | 3,405 | 3,024,189 | 4,476 | 3,499,616 |
| 2012 | 3,765 | 3,332,827 | 4,861 | 3,772,583 |
| 2013 | 3,757 | 3,558,765 | 4,819 | 4,171,738 |
| 2014 | 3,699 | 3,607,127 | 4,743 | 4,227,788 |

Note: In 2009, retail permits expanded to include permits for food services.

⁽¹⁾ Complete calendar year 2015 data is not yet available.

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

ANNUAL TAXABLE SALES
Placer County
2010 through 2014⁽¹⁾
(Dollars in Thousands)

| <u>Year</u> | <u>Retail and Food Permits</u> | <u>Retail and Food Taxable Transactions</u> | <u>Total Permits</u> | <u>Total Taxable Transactions</u> |
|-------------|------------------------------------|---|----------------------|---------------------------------------|
| 2010 | 8,110 | \$4,678,785 | 11,439 | \$6,017,542 |
| 2011 | 7,803 | 5,112,781 | 11,120 | 6,568,195 |
| 2012 | 8,272 | 5,613,981 | 11,621 | 7,065,597 |
| 2013 | 8,487 | 6,050,198 | 11,713 | 7,724,406 |
| 2014 | 8,520 | 6,296,076 | 11,749 | 8,100,167 |

Note: In 2009, retail permits expanded to include permits for food services.

⁽¹⁾ Complete calendar year 2015 data is not yet available.

Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

ANNUAL TAXABLE SALES
Sacramento County
2010 through 2014⁽¹⁾
(Dollars in Thousands)

| <u>Year</u> | <u>Retail Permits</u> | <u>Retail Stores Taxable Transactions</u> | <u>Total Permits</u> | <u>Total Taxable Transactions</u> |
|-------------|-----------------------|---|----------------------|---------------------------------------|
| 2010 | 23,158 | \$11,615,687 | 32,789 | \$16,904,528 |
| 2011 | 22,198 | 12,502,808 | 31,682 | 18,003,765 |
| 2012 | 22,211 | 13,366,459 | 31,507 | 19,089,848 |
| 2013 | 22,629 | 14,171,006 | 31,709 | 20,097,095 |
| 2014 | 23,147 | 14,649,693 | 32,143 | 21,061,901 |

Note: In 2009, retail permits expanded to include permits for food services.

⁽¹⁾ Complete calendar year 2015 data is not yet available.

Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued from 2011 through 2015 for the City and the Counties are shown in the following tables.

BUILDING PERMITS AND VALUATIONS
City of Roseville
2011 through 2015
(Dollars in Thousands)

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-----------------|---------------|---------------|---------------|---------------|---------------|
| Valuation | | | | | |
| Residential | \$95,378 | \$252,641 | \$128,575 | \$174,828 | \$271,809 |
| Non-Residential | <u>71,214</u> | <u>41,907</u> | <u>74,175</u> | <u>92,621</u> | <u>88,799</u> |
| Total | \$166,592 | \$294,548 | \$202,750 | \$267,449 | \$360,608 |
| Units | | | | | |
| Single Family | 411 | 663 | 528 | 644 | 927 |
| Multiple Family | <u>0</u> | <u>0</u> | <u>224</u> | <u>164</u> | <u>0</u> |
| Total | 411 | 663 | 752 | 808 | 927 |

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
Placer County
2011 through 2015
(Dollars in Thousands)

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-----------------|----------------|---------------|----------------|----------------|----------------|
| Valuation | | | | | |
| Residential | \$513,634 | \$478,461 | \$435,723 | \$631,712 | \$788,086 |
| Non-Residential | <u>119,656</u> | <u>86,756</u> | <u>161,350</u> | <u>184,681</u> | <u>226,906</u> |
| Total | \$633,290 | \$565,217 | \$597,073 | \$816,393 | \$1,014,992 |
| Units | | | | | |
| Single Family | 802 | 1,209 | 1,249 | 1,620 | 1,994 |
| Multiple Family | <u>28</u> | <u>111</u> | <u>227</u> | <u>376</u> | <u>249</u> |
| Total | 830 | 1,320 | 1,476 | 1,996 | 2,234 |

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
Sacramento County
2011 through 2015
(Dollars in Thousands)

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-----------------|----------------|----------------|----------------|----------------|----------------|
| Valuation | | | | | |
| Residential | \$427,894 | \$440,751 | \$603,992 | \$570,660 | \$897,359 |
| Non-Residential | <u>400,535</u> | <u>366,949</u> | <u>434,345</u> | <u>524,234</u> | <u>651,429</u> |
| Total | \$828,429 | \$807,700 | \$1,038,337 | \$1,094,894 | \$1,548,788 |
| Units | | | | | |
| Single Family | 727 | 1,290 | 1,764 | 1,547 | 2,358 |
| Multiple Family | <u>606</u> | <u>343</u> | <u>145</u> | <u>226</u> | <u>815</u> |
| Total | 1,333 | 1,633 | 1,909 | 1,773 | 3,173 |

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

APPENDIX E

PLACER COUNTY INVESTMENT POOL

The following information concerning the Placer County (the “County”) Investment Pool (the “Investment Pool”) has been provided by the Treasurer-Tax Collector of the County (the “Treasurer”), and has not been confirmed or verified by the School District, the Financial Advisor or the Underwriter. The School District, the Financial Advisor and the Underwriter have not made an independent investigation of the investments in the Investment Pool and have made no assessment of the current County investment policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Investment Pool will not vary significantly from the values described herein. Finally, neither the School District, the Financial Advisor nor the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Investment Pool may be obtained from the Treasurer at <http://www.placer.ca.gov/departments/tax/>; however, the information presented on such website is not incorporated herein by any reference.

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Office of
Jenine Windeshausen
Treasurer-Tax Collector
County of Placer



COUNTY OF PLACER

TREASURER'S POOLED INVESTMENT REPORT

For the Month of July 31, 2016

PREFACE

Placer County Treasurer's Pooled Investment Report

July 31, 2016

For the purpose of clarity the following glossary of investment terms has been provided.

Book Value is the purchase price of a security plus amortization of any premium or discount. This may be more or less than face value, depending upon whether the security was purchased at a premium or at a discount.

Par Value is the principal amount of a security and the amount of principal that will be paid at maturity.

Market Value is the value at which a security can be sold at the time it is priced or the need to sell arises.

Market values are only relevant if the investment is sold prior to maturity. Profit or loss would be realized only if the specific investment were to be sold.

Government Code 53646 Compliance Report

The following information is a monthly update of funds on deposit in the Placer County Treasury pursuant to California Government code Section 53646. Further details of individual investments are included in the Treasurer's Monthly Investment Report. All investment transactions and decisions have been made with full compliance with California Government Code and Placer County's Statement of Investment Policy.

Individual securities are priced at the end of each month by Wells Fargo Bank.

The Weighted Average Maturity of the investments with the Treasury is 1,557 days.

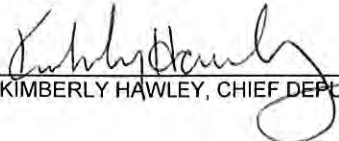
The ability of the Placer County Treasury to meet its cash flow needs is demonstrated by \$306,681,286.74 in cash and investments maturing in the next 180 days.



General Fund Portfolio Management Portfolio Summary July 31, 2016

| Investments | Par Value | Market Value | Book Value | % of Portfolio | Term | Days to Maturity | YTM 360 Equiv. | YTM 365 Equiv. |
|---|-------------------------|-------------------------|-------------------------|----------------|--------------|------------------|----------------|----------------|
| U.S. Treasury Coupons | 50,000,000.00 | 50,542,300.00 | 49,884,610.53 | 4.52 | 1,564 | 946 | 1.150 | 1.166 |
| mPower Placer - Long Term | 15,797,761.38 | 15,846,347.55 | 15,846,347.55 | 1.44 | 7,383 | 6,971 | 4.016 | 4.071 |
| Federal Agency Coupons | 390,000,000.00 | 390,182,133.33 | 390,021,359.33 | 35.35 | 1,638 | 1,418 | 1.458 | 1.478 |
| Medium Term Notes | 260,000,000.00 | 263,787,200.00 | 261,541,250.34 | 23.70 | 1,375 | 755 | 1.449 | 1.469 |
| Negotiable Certificates of Deposit | 55,000,000.00 | 55,009,300.00 | 55,000,000.00 | 4.98 | 107 | 33 | 0.643 | 0.652 |
| Collateralized CDs | 9,000,000.00 | 9,000,000.00 | 9,000,000.00 | 0.82 | 367 | 271 | 0.467 | 0.473 |
| Supranational | 10,000,000.00 | 10,079,690.00 | 9,998,411.11 | 0.91 | 958 | 724 | 1.192 | 1.208 |
| Commercial Paper Disc. -Amortizing | 120,000,000.00 | 119,994,711.11 | 119,994,711.11 | 10.87 | 52 | 3 | 0.427 | 0.433 |
| Local Agency Bond | 1,215,114.35 | 1,215,114.35 | 1,215,114.35 | 0.11 | 1,826 | 979 | 1.878 | 1.904 |
| Local Agency Bonds | 81,572,496.61 | 81,572,496.61 | 81,572,496.61 | 7.39 | 7,671 | 7,183 | 3.471 | 3.519 |
| Rolling Repurchase Agreements - 2 | 80,338,272.11 | 80,338,272.11 | 80,338,272.11 | 7.28 | 1 | 1 | 0.000 | 0.000 |
| mPower Placer | 25,782,542.47 | 25,782,542.47 | 25,782,542.47 | 2.34 | 7,697 | 7,317 | 3.974 | 4.030 |
| mPower - Folsom | 3,242,561.17 | 3,242,561.17 | 3,242,561.17 | 0.29 | 7,321 | 6,982 | 1.250 | 1.267 |
| Investments | 1,101,948,748.09 | 1,106,592,668.70 | 1,103,437,676.68 | 100.00% | 1,875 | 1,557 | 1.417 | 1.436 |
| Cash | | | | | | | | |
| Passbook/Checking (not included in yield calculations) | 51,343,014.63 | 51,343,014.63 | 51,343,014.63 | | 1 | 1 | 0.000 | 0.000 |
| Total Cash and Investments | 1,153,291,762.72 | 1,157,935,683.33 | 1,154,780,691.31 | | 1,875 | 1,557 | 1.417 | 1.436 |

| Total Earnings | July 31 Month Ending | Fiscal Year To Date |
|--------------------------|----------------------|---------------------|
| Current Year | 1,364,186.60 | 1,364,186.59 |
| Average Daily Balance | 1,237,523,759.44 | 1,237,523,759.44 |
| Effective Rate of Return | 1.30% | 1.30% |


 _____ 8/5/16
 KIMBERLY HAWLEY, CHIEF DEPUTY TREASURER

**General Fund
Portfolio Management
Portfolio Details - Investments
July 31, 2016**

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | YTM 365 | Days to Maturity | Maturity Date |
|----------------------------------|--------------|--------------------------|----------------------|---------------|----------------------|----------------------|----------------------|-------------|--------------|------------------|---------------|
| U.S. Treasury Coupons | | | | | | | | | | | |
| 912828UZ1 | 12083 | U.S TREASURY N/B | | 05/06/2013 | 10,000,000.00 | 9,993,000.00 | 9,983,046.88 | 0.625 | 0.724 | 637 | 04/30/2018 |
| 912828UZ1 | 12084 | U.S TREASURY N/B | | 05/07/2013 | 10,000,000.00 | 9,993,000.00 | 9,981,396.03 | 0.625 | 0.710 | 637 | 04/30/2018 |
| 912828K82 | 15057 | U.S TREASURY N/B | | 12/03/2015 | 10,000,000.00 | 10,063,700.00 | 9,968,756.34 | 1.000 | 1.156 | 744 | 08/15/2018 |
| 912828TN0 | 15058 | U.S TREASURY N/B | | 12/03/2015 | 10,000,000.00 | 10,064,100.00 | 9,871,410.94 | 1.000 | 1.430 | 1,125 | 08/31/2019 |
| 912828A42 | 15059 | U.S TREASURY N/B | | 12/04/2015 | 10,000,000.00 | 10,428,500.00 | 10,080,000.34 | 2.000 | 1.806 | 1,582 | 11/30/2020 |
| Subtotal and Average | | | 49,882,187.33 | | 50,000,000.00 | 50,542,300.00 | 49,884,610.53 | | 1.166 | 946 | |
| mPower Placer - Long Term | | | | | | | | | | | |
| 2015NR-A | 2015NR-A | mPower Placer | | 06/16/2015 | 2,495,838.59 | 2,495,838.59 | 2,495,838.59 | 4.000 | 3.999 | 6,971 | 09/02/2035 |
| 2015R-B | 2015R-B | mPower Placer | | 06/16/2015 | 750,000.00 | 798,586.17 | 798,586.17 | 6.000 | 5.435 | 6,971 | 09/02/2035 |
| 2015R-C | 2015R-C | mPower Placer | | 06/16/2015 | 12,551,922.79 | 12,551,922.79 | 12,551,922.79 | 4.000 | 3.999 | 6,971 | 09/02/2035 |
| Subtotal and Average | | | 15,846,446.77 | | 15,797,761.38 | 15,846,347.55 | 15,846,347.55 | | 4.071 | 6,971 | |
| Federal Agency Coupons | | | | | | | | | | | |
| 3133ECB45 | 12038 | FEDERAL FARM CREDIT BANK | | 12/26/2012 | 10,000,000.00 | 10,000,000.00 | 9,997,194.44 | 0.900 | 0.921 | 512 | 12/26/2017 |
| 3133ECDE1 | 12043 | FEDERAL FARM CREDIT BANK | | 01/24/2013 | 10,000,000.00 | 10,000,100.00 | 9,997,046.72 | 0.940 | 0.961 | 539 | 01/22/2018 |
| 3133ECJX3 | 12059 | FEDERAL FARM CREDIT BANK | | 03/26/2013 | 10,000,000.00 | 10,000,100.00 | 9,997,520.83 | 1.040 | 1.055 | 602 | 03/26/2018 |
| 3133ECL44 | 12072 | FEDERAL FARM CREDIT BANK | | 04/11/2013 | 10,000,000.00 | 10,000,100.00 | 9,999,152.78 | 1.000 | 1.005 | 618 | 04/11/2018 |
| 3133EFEG8 | 15016 | FEDERAL FARM CREDIT BANK | | 09/22/2015 | 10,000,000.00 | 10,007,800.00 | 10,000,000.00 | 1.860 | 1.860 | 1,513 | 09/22/2020 |
| 3133EFPM3 | 15039 | FEDERAL FARM CREDIT BANK | | 11/23/2015 | 10,000,000.00 | 10,025,300.00 | 10,000,000.00 | 1.875 | 1.875 | 1,575 | 11/23/2020 |
| 3133EFRM1 | 15056 | FEDERAL FARM CREDIT BANK | | 12/02/2015 | 10,000,000.00 | 10,017,800.00 | 10,000,000.00 | 1.640 | 1.640 | 1,218 | 12/02/2019 |
| 3133EFRH2 | 15061 | FEDERAL FARM CREDIT BANK | | 12/07/2015 | 10,000,000.00 | 10,013,900.00 | 9,995,073.90 | 1.340 | 1.362 | 851 | 11/30/2018 |
| 3133EFX36 | 15105 | FEDERAL FARM CREDIT BANK | | 04/05/2016 | 10,000,000.00 | 10,034,200.00 | 10,000,000.00 | 1.680 | 1.680 | 1,708 | 04/05/2021 |
| 3133EGKA2 | 16001 | FEDERAL FARM CREDIT BANK | | 07/06/2016 | 10,000,000.00 | 9,946,500.00 | 10,000,000.00 | 1.500 | 1.500 | 1,800 | 07/06/2021 |
| 3133EGLH6 | 16002 | FEDERAL FARM CREDIT BANK | | 07/12/2016 | 10,000,000.00 | 10,001,200.00 | 10,000,000.00 | 1.420 | 1.420 | 1,625 | 01/12/2021 |
| 3133EGLU7 | 16004 | FEDERAL FARM CREDIT BANK | | 07/14/2016 | 10,000,000.00 | 9,998,600.00 | 10,000,000.00 | 1.480 | 1.480 | 1,808 | 07/14/2021 |
| 3130A86G3 | 15119 | FEDERAL HOME LOAN BANK | | 05/25/2016 | 10,000,000.00 | 10,010,700.00 | 10,000,000.00 | 1.600 | 1.600 | 1,577 | 11/25/2020 |
| 3130A8LS0 | 15130 | FEDERAL HOME LOAN BANK | | 06/30/2016 | 10,000,000.00 | 9,999,200.00 | 10,000,000.00 | 1.500 | 1.500 | 1,794 | 06/30/2021 |
| 3130A8MP5 | 16003 | FEDERAL HOME LOAN BANK | | 07/13/2016 | 10,000,000.00 | 10,000,800.00 | 10,000,000.00 | 1.375 | 1.375 | 1,534 | 10/13/2020 |
| 3130A8P80 | 16005 | FEDERAL HOME LOAN BANK | | 07/19/2016 | 10,000,000.00 | 10,001,300.00 | 10,000,000.00 | 1.400 | 1.400 | 1,632 | 01/19/2021 |
| 3134G75E7 | 15040 | FED HOME LOAN MORT CORP | | 11/23/2015 | 10,000,000.00 | 10,000,600.00 | 10,000,000.00 | 1.150 | 1.150 | 844 | 11/23/2018 |
| 3134G83X5 | 15055 | FED HOME LOAN MORT CORP | | 11/30/2015 | 10,000,000.00 | 10,003,900.00 | 9,994,955.86 | 1.350 | 1.372 | 847 | 11/26/2018 |
| 3134G8K99 | 15095 | FED HOME LOAN MORT CORP | | 02/25/2016 | 10,000,000.00 | 10,002,300.00 | 10,000,000.00 | 1.500 | 1.500 | 1,211 | 11/25/2019 |
| 3134G8PS2 | 15099 | FED HOME LOAN MORT CORP | | 03/30/2016 | 10,000,000.00 | 10,009,500.00 | 10,000,000.00 | 1.500 | 2.056 | 1,702 | 03/30/2021 |
| 3134G9KW6 | 15121 | FED HOME LOAN MORT CORP | | 06/08/2016 | 10,000,000.00 | 10,005,000.00 | 10,004,500.00 | 1.350 | 1.350 | 1,212 | 11/26/2019 |
| 3134G9PN1 | 15131 | FED HOME LOAN MORT CORP | | 06/30/2016 | 10,000,000.00 | 10,005,600.00 | 10,000,000.00 | 1.875 | 1.875 | 1,794 | 06/30/2021 |

**General Fund
Portfolio Management
Portfolio Details - Investments
July 31, 2016**

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | YTM 365 | Days to Maturity | Maturity Date |
|-------------------------------|--------------|-------------------------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|--------------|------------------|---------------|
| Federal Agency Coupons | | | | | | | | | | | |
| 3134G9PN1 | 15132 | FED HOME LOAN MORT CORP | | 06/30/2016 | 10,000,000.00 | 10,005,600.00 | 10,000,000.00 | 1.875 | 1.875 | 1,794 | 06/30/2021 |
| 3134G9UM7 | 15133 | FED HOME LOAN MORT CORP | | 06/30/2016 | 10,000,000.00 | 10,001,500.00 | 10,000,000.00 | 1.500 | 1.730 | 1,794 | 06/30/2021 |
| 3134G9E52 | 15134 | FED HOME LOAN MORT CORP | | 06/30/2016 | 10,000,000.00 | 9,988,300.00 | 10,000,000.00 | 1.330 | 1.330 | 1,612 | 12/30/2020 |
| 3134G9K22 | 16007 | FED HOME LOAN MORT CORP | | 07/27/2016 | 10,000,000.00 | 9,992,400.00 | 10,000,000.00 | 1.000 | 1.730 | 1,821 | 07/27/2021 |
| 3135G0G31 | 15032 | FEDERAL NATIONAL MORT. ASSOC. | | 10/29/2015 | 10,000,000.00 | 10,005,900.00 | 9,992,324.79 | 1.200 | 1.232 | 911 | 01/29/2019 |
| 3136G2SD0 | 15034 | FEDERAL NATIONAL MORT. ASSOC. | | 10/30/2015 | 10,000,000.00 | 10,005,300.00 | 10,000,000.00 | 1.400 | 1.400 | 1,184 | 10/29/2019 |
| 3136G2YA9 | 15096 | FEDERAL NATIONAL MORT. ASSOC. | | 02/26/2016 | 10,000,000.00 | 10,002,000.00 | 10,000,000.00 | 1.400 | 1.400 | 1,212 | 11/26/2019 |
| 3136G3CT0 | 15097 | FEDERAL NATIONAL MORT. ASSOC. | | 03/15/2016 | 10,000,000.00 | 10,005,400.00 | 10,000,000.00 | 1.400 | 1.896 | 1,687 | 03/15/2021 |
| 3136G3MG7 | 15114 | FEDERAL NATIONAL MORT. ASSOC. | | 05/20/2016 | 10,000,000.00 | 10,007,533.33 | 9,988,950.51 | 1.500 | 1.532 | 1,386 | 05/18/2020 |
| 3136G3MP7 | 15118 | FEDERAL NATIONAL MORT. ASSOC. | | 05/25/2016 | 10,000,000.00 | 10,004,100.00 | 10,000,000.00 | 1.000 | 1.000 | 1,758 | 05/25/2021 |
| 3136G3QU2 | 15120 | FEDERAL NATIONAL MORT. ASSOC. | | 05/25/2016 | 10,000,000.00 | 10,033,500.00 | 10,000,000.00 | 1.750 | 1.750 | 1,758 | 05/25/2021 |
| 3136G3RK3 | 15124 | FEDERAL NATIONAL MORT. ASSOC. | | 06/14/2016 | 10,000,000.00 | 10,019,300.00 | 10,000,000.00 | 1.800 | 1.613 | 1,778 | 06/14/2021 |
| 3136G3RK3 | 15126 | FEDERAL NATIONAL MORT. ASSOC. | | 06/29/2016 | 10,000,000.00 | 10,026,800.00 | 10,054,639.50 | 1.800 | 1.511 | 1,778 | 06/14/2021 |
| 3136G3WK7 | 15128 | FEDERAL NATIONAL MORT. ASSOC. | | 06/30/2016 | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | 1.220 | 1.220 | 1,337 | 03/30/2020 |
| 3136G3WK7 | 15129 | FEDERAL NATIONAL MORT. ASSOC. | | 06/30/2016 | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | 1.220 | 1.220 | 1,337 | 03/30/2020 |
| 3136G3XZ3 | 16008 | FEDERAL NATIONAL MORT. ASSOC. | | 07/28/2016 | 10,000,000.00 | 10,000,300.00 | 10,000,000.00 | 1.500 | 1.500 | 1,822 | 07/28/2021 |
| 3136G3XY6 | 16009 | FEDERAL NATIONAL MORT. ASSOC. | | 07/28/2016 | 10,000,000.00 | 9,999,700.00 | 10,000,000.00 | 1.000 | 1.782 | 1,822 | 07/28/2021 |
| Subtotal and Average | | | 415,216,249.95 | | 390,000,000.00 | 390,182,133.33 | 390,021,359.33 | | 1.478 | 1,418 | |
| Medium Term Notes | | | | | | | | | | | |
| 037833AG5 | 12085 | Apple Inc. | | 05/07/2013 | 10,000,000.00 | 10,020,500.00 | 10,014,107.39 | 0.887 | 0.598 | 640 | 05/03/2018 |
| 037833AQ3 | 14098 | Apple Inc. | | 06/26/2015 | 10,000,000.00 | 10,274,300.00 | 10,071,081.65 | 2.100 | 1.832 | 1,008 | 05/06/2019 |
| 0258M0DK2 | 15038 | AMERICAN EXPRESS CREDIT | | 11/17/2015 | 10,000,000.00 | 10,223,900.00 | 10,011,275.69 | 2.125 | 2.080 | 959 | 03/18/2019 |
| 06406HCJ6 | 14009 | Bank of New York Mellon | | 11/10/2014 | 10,000,000.00 | 10,041,000.00 | 9,963,076.92 | 1.350 | 1.588 | 582 | 03/06/2018 |
| 06406HCL1 | 15006 | Bank of New York Mellon | | 07/13/2015 | 10,000,000.00 | 10,194,700.00 | 10,097,039.33 | 2.100 | 1.593 | 730 | 08/01/2018 |
| 084664CH2 | 15106 | BERKSHIRE HATHAWAY FINANCE | | 04/05/2016 | 10,000,000.00 | 10,072,200.00 | 10,066,670.76 | 1.324 | 1.083 | 956 | 03/15/2019 |
| 36962G5W0 | 13016 | General Electric Company | | 10/28/2013 | 10,000,000.00 | 10,109,900.00 | 10,070,778.40 | 2.300 | 1.317 | 269 | 04/27/2017 |
| 36962G3H5 | 14019 | General Electric Company | | 12/11/2014 | 10,000,000.00 | 10,526,900.00 | 10,459,885.31 | 5.625 | 1.430 | 410 | 09/15/2017 |
| 459200HZ7 | 14048 | IBM CORP | | 02/11/2015 | 10,000,000.00 | 10,041,900.00 | 9,977,693.02 | 1.125 | 1.276 | 554 | 02/06/2018 |
| 459200HM6 | 15005 | IBM CORP | | 07/13/2015 | 10,000,000.00 | 10,119,600.00 | 9,831,340.07 | 1.625 | 2.095 | 1,383 | 05/15/2020 |
| 48126DW39 | 12089 | JP MORGAN CHASE BANK | | 06/04/2013 | 10,000,000.00 | 9,996,400.00 | 10,000,000.00 | 1.180 | 1.029 | 672 | 06/04/2018 |
| 594918AY0 | 14050 | Microsoft Corp | | 02/23/2015 | 10,000,000.00 | 10,211,400.00 | 10,009,875.29 | 1.850 | 1.821 | 1,290 | 02/12/2020 |
| 594918BF0 | 15041 | Microsoft Corp | | 11/24/2015 | 10,000,000.00 | 10,073,300.00 | 9,990,568.84 | 1.300 | 1.343 | 824 | 11/03/2018 |
| 89233P6S0 | 13073 | Toyota Motor Credit Corp | | 06/26/2014 | 10,000,000.00 | 10,030,200.00 | 9,999,964.04 | 1.250 | 1.250 | 430 | 10/05/2017 |
| 89236TCG8 | 15014 | Toyota Motor Credit Corp | | 09/01/2015 | 10,000,000.00 | 9,970,700.00 | 9,928,528.76 | 1.026 | 1.174 | 1,319 | 03/12/2020 |
| 89236TCP8 | 15060 | Toyota Motor Credit Corp | | 12/04/2015 | 10,000,000.00 | 10,091,000.00 | 10,020,708.63 | 1.550 | 1.441 | 711 | 07/13/2018 |

**General Fund
Portfolio Management
Portfolio Details - Investments
July 31, 2016**

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | YTM 365 | Days to Maturity | Maturity Date |
|---|--------------|----------------------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|--------------|------------------|---------------|
| Medium Term Notes | | | | | | | | | | | |
| 90331HMH3 | 14025 | US BANK NA CINCINNATI | | 12/29/2014 | 10,000,000.00 | 10,040,800.00 | 9,996,707.82 | 1.375 | 1.405 | 406 | 09/11/2017 |
| 94974BFBK1 | 12075 | WELLS FARGO & CO. | | 04/23/2013 | 10,000,000.00 | 10,027,600.00 | 10,000,000.00 | 1.345 | 1.100 | 630 | 04/23/2018 |
| 94986RTD3 | 13047 | WELLS FARGO & CO. | | 03/06/2014 | 10,000,000.00 | 9,982,100.00 | 10,000,000.00 | 1.130 | 0.959 | 947 | 03/06/2019 |
| 94974BFD7 | 13067 | WELLS FARGO & CO. | | 04/28/2014 | 10,000,000.00 | 10,082,000.00 | 10,067,420.28 | 2.100 | 1.205 | 280 | 05/08/2017 |
| 94974BFU9 | 14003 | WELLS FARGO & CO. | | 09/19/2014 | 10,000,000.00 | 10,214,700.00 | 9,972,878.58 | 2.125 | 2.230 | 994 | 04/22/2019 |
| 929903DT6 | 14013 | WELLS FARGO & CO. | | 12/04/2014 | 10,000,000.00 | 10,401,700.00 | 10,391,552.14 | 5.750 | 1.180 | 318 | 06/15/2017 |
| 94974BFG0 | 14037 | WELLS FARGO & CO. | | 01/22/2015 | 10,000,000.00 | 10,050,600.00 | 10,019,895.25 | 1.500 | 1.360 | 533 | 01/16/2018 |
| 94986RYY1 | 15017 | WELLS FARGO & CO. | | 09/25/2015 | 10,000,000.00 | 10,143,900.00 | 10,000,000.00 | 2.000 | 2.431 | 1,516 | 09/25/2020 |
| 92976GAH4 | 14002 | WELLS FARGO BANK | | 07/23/2014 | 10,000,000.00 | 10,601,100.00 | 10,560,264.43 | 6.000 | 1.525 | 471 | 11/15/2017 |
| 931142DJ9 | 13029 | WAL-MART STORES | | 12/16/2013 | 10,000,000.00 | 10,244,800.00 | 10,019,937.74 | 1.950 | 1.861 | 866 | 12/15/2018 |
| Subtotal and Average | | | 270,634,088.43 | | 260,000,000.00 | 263,787,200.00 | 261,541,250.34 | | 1.469 | 755 | |
| Negotiable Certificates of Deposit | | | | | | | | | | | |
| 34959TEJ1 | 15111 | BNP PARIBAS FORTIS SA/NY | | 04/11/2016 | 20,000,000.00 | 20,006,400.00 | 20,000,000.00 | 0.780 | 0.791 | 38 | 09/08/2016 |
| 60689DXP3 | 15122 | Mizuho Bank LTD | | 06/09/2016 | 25,000,000.00 | 25,002,500.00 | 25,000,000.00 | 0.610 | 0.618 | 39 | 09/09/2016 |
| 63873FF60 | 15123 | NATEXIS BANQ POPULAIR NY | | 06/10/2016 | 10,000,000.00 | 10,000,400.00 | 10,000,000.00 | 0.450 | 0.456 | 8 | 08/09/2016 |
| Subtotal and Average | | | 175,322,580.65 | | 55,000,000.00 | 55,009,300.00 | 55,000,000.00 | | 0.652 | 33 | |
| Collateralized CDs | | | | | | | | | | | |
| SYS15116 | 15116 | Community 1st Bank | | 05/20/2016 | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | 0.400 | 0.406 | 294 | 05/22/2017 |
| SYS15112 | 15112 | RIVER CITY BANK | | 04/15/2016 | 6,000,000.00 | 6,000,000.00 | 6,000,000.00 | 0.500 | 0.507 | 259 | 04/17/2017 |
| Subtotal and Average | | | 9,000,000.00 | | 9,000,000.00 | 9,000,000.00 | 9,000,000.00 | | 0.473 | 271 | |
| Supranational | | | | | | | | | | | |
| 45905UUL6 | 15065 | INT'L BANK RECON & DEVELOP | | 12/11/2015 | 10,000,000.00 | 10,079,690.00 | 9,998,411.11 | 1.200 | 1.208 | 724 | 07/26/2018 |
| Subtotal and Average | | | 9,998,379.93 | | 10,000,000.00 | 10,079,690.00 | 9,998,411.11 | | 1.208 | 724 | |
| Commercial Paper Disc. -Amortizing | | | | | | | | | | | |
| 63873JH11 | 16010 | NATEXIS BANQ POPULAIR NY | | 07/29/2016 | 50,000,000.00 | 50,000,000.00 | 50,000,000.00 | 0.300 | 0.304 | 0 | 08/01/2016 |
| 63873JH11 | 16011 | NATEXIS BANQ POPULAIR NY | | 07/29/2016 | 20,000,000.00 | 20,000,000.00 | 20,000,000.00 | 0.300 | 0.304 | 0 | 08/01/2016 |
| 89233GH58 | 15107 | Toyota Motor Credit Corp | | 04/06/2016 | 20,000,000.00 | 19,998,577.78 | 19,998,577.78 | 0.640 | 0.650 | 4 | 08/05/2016 |
| 89233GH90 | 15110 | Toyota Motor Credit Corp | | 04/11/2016 | 30,000,000.00 | 29,996,133.33 | 29,996,133.33 | 0.580 | 0.589 | 8 | 08/09/2016 |
| Subtotal and Average | | | 61,594,923.48 | | 120,000,000.00 | 119,994,711.11 | 119,994,711.11 | | 0.433 | 3 | |

**General Fund
Portfolio Management
Portfolio Details - Investments
July 31, 2016**

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | YTM 365 | Days to Maturity | Maturity Date |
|--|--------------|--------------------------------|-------------------------|---------------|-------------------------|-------------------------|-------------------------|-------------|--------------|------------------|---------------|
| Local Agency Bond | | | | | | | | | | | |
| SYS13019B | 13019B | Ackerman School District | | 10/31/2013 | 195,429.86 | 195,429.86 | 195,429.86 | 2.300 | 2.299 | 821 | 10/31/2018 |
| SYS13072 | 13072 | Mid Placer Public School Trans | | 06/13/2014 | 142,635.69 | 142,635.69 | 142,635.69 | 2.300 | 2.300 | 1,046 | 06/13/2019 |
| SYS13069 | 13069 | City of Rocklin Successor Agcy | | 05/01/2014 | 877,048.80 | 877,048.80 | 877,048.80 | 1.750 | 1.752 | 1,003 | 05/01/2019 |
| Subtotal and Average | | | 1,215,114.35 | | 1,215,114.35 | 1,215,114.35 | 1,215,114.35 | | 1.904 | 979 | |
| Local Agency Bonds | | | | | | | | | | | |
| SYS15022 | 15022 | MIDDLE FORK JPA | | 04/01/2015 | 81,572,496.61 | 81,572,496.61 | 81,572,496.61 | 3.471 | 3.519 | 7,183 | 04/01/2036 |
| Subtotal and Average | | | 82,249,915.96 | | 81,572,496.61 | 81,572,496.61 | 81,572,496.61 | | 3.519 | 7,183 | |
| Rolling Repurchase Agreements - 2 | | | | | | | | | | | |
| SYS000SWEEP | SWEEP | WFB REPURCHASE-SWEEP | | 03/01/2012 | 80,338,272.11 | 80,338,272.11 | 80,338,272.11 | | 0.000 | 1 | |
| Subtotal and Average | | | 65,451,835.70 | | 80,338,272.11 | 80,338,272.11 | 80,338,272.11 | | 0.000 | 1 | |
| mPower Placer | | | | | | | | | | | |
| 1415-2 | 1415-2 | mPower Placer | | 06/04/2015 | 2,075,077.09 | 2,075,077.09 | 2,075,077.09 | 4.000 | 4.056 | 6,971 | 09/02/2035 |
| 2015NR-B | 2015NR-B | mPower Placer | | 09/17/2015 | 3,013,977.07 | 3,013,977.07 | 3,013,977.07 | 4.000 | 4.056 | 7,337 | 09/02/2036 |
| 2015R-D | 2015R-D | mPower Placer | | 07/02/2015 | 20,032,838.44 | 20,032,838.44 | 20,032,838.44 | 4.000 | 4.056 | 7,337 | 09/02/2036 |
| 2016R-A | 2016R-A | mPower Placer | | 07/07/2016 | 660,649.87 | 660,649.87 | 660,649.87 | 3.000 | 3.042 | 7,702 | 09/02/2037 |
| Subtotal and Average | | | 25,368,385.05 | | 25,782,542.47 | 25,782,542.47 | 25,782,542.47 | | 4.030 | 7,317 | |
| mPower - Folsom | | | | | | | | | | | |
| 2016-MF4 | 2016-MF4 | mPower Folsom | | 07/14/2016 | 97,794.13 | 97,794.13 | 97,794.13 | 1.250 | 1.267 | 7,337 | 09/02/2036 |
| MFIA-2 NR | IA2-NR | mPower Folsom | | 08/06/2015 | 1,704,575.51 | 1,704,575.51 | 1,704,575.51 | 1.250 | 1.267 | 6,971 | 09/02/2035 |
| MFIA-3 | MFIA-3 | mPower Folsom | | 09/01/2015 | 1,066,335.03 | 1,066,335.03 | 1,066,335.03 | 1.250 | 1.267 | 6,971 | 09/02/2035 |
| MFR-1 | MFR-1 | mPower Folsom | | 09/01/2015 | 373,856.50 | 373,856.50 | 373,856.50 | 1.250 | 1.267 | 6,971 | 09/02/2035 |
| Subtotal and Average | | | 3,196,941.66 | | 3,242,561.17 | 3,242,561.17 | 3,242,561.17 | | 1.267 | 6,982 | |
| Total and Average | | | 1,237,523,759.44 | | 1,101,948,748.09 | 1,106,592,668.70 | 1,103,437,676.68 | | 1.436 | 1,557 | |

**General Fund
Portfolio Management
Portfolio Details - Cash
July 31, 2016**

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | YTM 365 | Days to Maturity |
|-----------------------------------|--------------|------------------------|-------------------------|---------------|-------------------------|-------------------------|-------------------------|-------------|--------------|------------------|
| Cash at Bank | | | | | | | | | | |
| SYS00000 | 00000 | PLACER COUNTY CASH | | | 50,148,968.05 | 50,148,968.05 | 50,148,968.05 | | 0.000 | 1 |
| Undeposited Receipts | | | | | | | | | | |
| SYS00000VAULT | 00000VAULT | PLACER COUNTY CASH | | | 1,194,046.58 | 1,194,046.58 | 1,194,046.58 | | 0.000 | 1 |
| | | Average Balance | 0.00 | | | | | | | 1 |
| Total Cash and Investments | | | 1,237,523,759.44 | | 1,153,291,762.72 | 1,157,935,683.33 | 1,154,780,691.31 | | 1.436 | 1,557 |



General Fund Purchases Report Sorted by Fund - Fund July 1, 2016 - July 31, 2016

| CUSIP | Investment # | Fund | Sec. Type Issuer | Original Par Value | Purchase Date Payment Periods | Principal Purchased | Accrued Interest at Purchase | Rate at Purchase | Maturity Date | YTM | Ending Book Value |
|---------------------|--------------|------|------------------------|-----------------------|--------------------------------|-----------------------|------------------------------|------------------|---------------|-------|-----------------------|
| General Fund | | | | | | | | | | | |
| 3133EGKA2 | 16001 | 1010 | FAC FFCB | 10,000,000.00 | 07/06/2016 01/06 - 07/06 | 10,000,000.00 | | 1.500 | 07/06/2021 | 1.500 | 10,000,000.00 |
| 2016R-A | 2016R-A | 1010 | RR3 MPP | 28,403.14 | 07/07/2016 / - / | 28,403.14 | | 3.000 | 09/02/2037 | 3.000 | 660,649.87 |
| 3133EGLH6 | 16002 | 1010 | FAC FFCB | 10,000,000.00 | 07/12/2016 01/12 - 07/12 | 10,000,000.00 | | 1.420 | 01/12/2021 | 1.420 | 10,000,000.00 |
| 3130A8MP5 | 16003 | 1010 | FAC FHLB | 10,000,000.00 | 07/13/2016 10/13 - 04/13 | 10,000,000.00 | | 1.375 | 10/13/2020 | 1.375 | 10,000,000.00 |
| 3133EGLU7 | 16004 | 1010 | FAC FFCB | 10,000,000.00 | 07/14/2016 01/14 - 07/14 | 10,000,000.00 | | 1.480 | 07/14/2021 | 1.480 | 10,000,000.00 |
| 2016-MF4 | 2016-MF4 | 1010 | RR4 MPF | 77,382.55 | 07/14/2016 / - / | 77,382.55 | | 1.250 | 09/02/2036 | 1.250 | 97,794.13 |
| 3130A8P80 | 16005 | 1010 | FAC FHLB | 10,000,000.00 | 07/19/2016 01/19 - 07/19 | 10,000,000.00 | | 1.400 | 01/19/2021 | 1.400 | 10,000,000.00 |
| 63873JGV6 | 16006 | 1010 | ACP NATXNY | 50,000,000.00 | 07/26/2016 07/29 - At Maturity | 49,998,416.67 | | 0.380 | 07/29/2016 | 0.380 | 0.00 |
| 3134G9K22 | 16007 | 1010 | FAC FHLMC | 10,000,000.00 | 07/27/2016 01/27 - 07/27 | 10,000,000.00 | | 1.000 | 07/27/2021 | 1.730 | 10,000,000.00 |
| 3136G3XZ3 | 16008 | 1010 | FAC FNMA | 10,000,000.00 | 07/28/2016 01/28 - 07/28 | 10,000,000.00 | | 1.500 | 07/28/2021 | 1.500 | 10,000,000.00 |
| 3136G3XY6 | 16009 | 1010 | FAC FNMA | 10,000,000.00 | 07/28/2016 01/28 - 07/28 | 10,000,000.00 | | 1.000 | 07/28/2021 | 1.782 | 10,000,000.00 |
| 63873JH11 | 16010 | 1010 | ACP NATXNY | 50,000,000.00 | 07/29/2016 08/01 - At Maturity | 49,998,750.00 | | 0.300 | 08/01/2016 | 0.300 | 50,000,000.00 |
| 63873JH11 | 16011 | 1010 | ACP NATXNY | 20,000,000.00 | 07/29/2016 08/01 - At Maturity | 19,999,500.00 | | 0.300 | 08/01/2016 | 0.300 | 20,000,000.00 |
| | | | Subtotal | 200,105,785.69 | | 200,102,452.36 | | 0.00 | | | 150,758,444.00 |
| | | | Total Purchases | 200,105,785.69 | | 200,102,452.36 | | 0.00 | | | 150,758,444.00 |



General Fund Summary by Issuer July 31, 2016

| Issuer | Number of Investments | Par Value | Remaining Cost | % of Portfolio | Average YTM 365 | Average Days to Maturity |
|--------------------------------|-----------------------|----------------|----------------|----------------|-----------------|--------------------------|
| Apple Inc. | 2 | 20,000,000.00 | 20,139,390.00 | 1.74 | 1.217 | 825 |
| Ackerman School District | 1 | 195,429.86 | 195,429.86 | 0.02 | 2.299 | 821 |
| AMERICAN EXPRESS CREDIT | 1 | 10,000,000.00 | 10,014,300.00 | 0.87 | 2.080 | 959 |
| Bank of New York Mellon | 2 | 20,000,000.00 | 20,073,400.00 | 1.73 | 1.591 | 656 |
| BERKSHIRE HATHAWAY FINANCE | 1 | 10,000,000.00 | 10,074,900.00 | 0.87 | 1.083 | 956 |
| Community 1st Bank | 1 | 3,000,000.00 | 3,000,000.00 | 0.26 | 0.406 | 294 |
| FEDERAL FARM CREDIT BANK | 12 | 120,000,000.00 | 119,963,700.00 | 10.37 | 1.397 | 1,197 |
| FEDERAL HOME LOAN BANK | 4 | 40,000,000.00 | 40,000,000.00 | 3.46 | 1.469 | 1,634 |
| FED HOME LOAN MORT CORP | 10 | 100,000,000.00 | 99,993,500.00 | 8.64 | 1.597 | 1,463 |
| FEDERAL NATIONAL MORT. ASSOC. | 13 | 130,000,000.00 | 130,025,500.00 | 11.23 | 1.466 | 1,521 |
| BNP PARIBAS FORTIS SA/NY | 1 | 20,000,000.00 | 20,000,000.00 | 1.73 | 0.791 | 38 |
| General Electric Company | 2 | 20,000,000.00 | 21,466,500.00 | 1.85 | 1.374 | 341 |
| IBM CORP | 2 | 20,000,000.00 | 19,740,600.00 | 1.71 | 1.682 | 965 |
| INT'L BANK RECON & DEVELOP | 1 | 10,000,000.00 | 9,997,900.00 | 0.86 | 1.208 | 724 |
| JP MORGAN CHASE BANK | 1 | 10,000,000.00 | 10,000,000.00 | 0.86 | 1.029 | 672 |
| MIDDLE FORK JPA | 1 | 81,572,496.61 | 81,572,496.61 | 7.05 | 3.519 | 7,183 |
| Mid Placer Public School Trans | 1 | 142,635.69 | 142,635.69 | 0.01 | 2.300 | 1,046 |
| Mizuho Bank LTD | 1 | 25,000,000.00 | 25,000,000.00 | 2.16 | 0.618 | 39 |
| mPower Folsom | 4 | 3,242,561.17 | 3,242,561.17 | 0.28 | 1.267 | 6,982 |
| mPower Placer | 7 | 41,580,303.85 | 41,631,753.85 | 3.60 | 4.046 | 7,185 |
| Microsoft Corp | 2 | 20,000,000.00 | 20,001,600.00 | 1.73 | 1.582 | 1,057 |
| NATEXIS BANQ POPULAIR NY | 3 | 80,000,000.00 | 79,998,250.00 | 6.91 | 0.323 | 1 |
| PLACER COUNTY CASH | 2 | 51,343,014.63 | 51,343,014.63 | 4.44 | 0.000 | 1 |

General Fund
Summary by Issuer
July 31, 2016

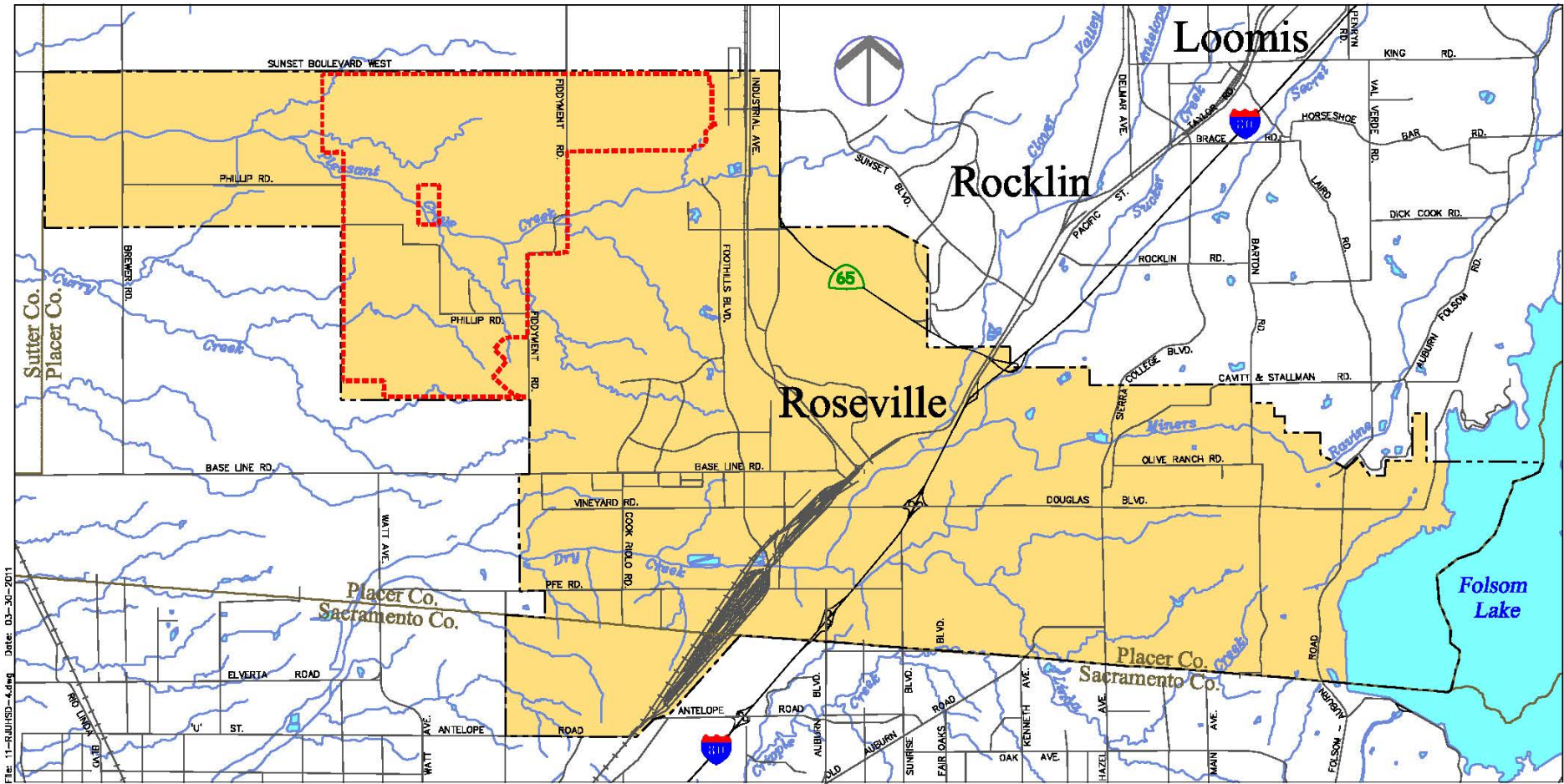
| Issuer | Number of Investments | Par Value | Remaining Cost | % of Portfolio | Average YTM 365 | Average Days to Maturity |
|--------------------------------|-----------------------|-------------------------|-------------------------|----------------|-----------------|--------------------------|
| RIVER CITY BANK | 1 | 6,000,000.00 | 6,000,000.00 | 0.52 | 0.507 | 259 |
| City of Rocklin Successor Agcy | 1 | 877,048.80 | 877,048.80 | 0.08 | 1.752 | 1,003 |
| U.S TREASURY N/B | 5 | 50,000,000.00 | 49,792,968.75 | 4.30 | 1.166 | 946 |
| Toyota Motor Credit Corp | 5 | 80,000,000.00 | 79,836,977.78 | 6.90 | 0.867 | 311 |
| US BANK NA CINCINNATI | 1 | 10,000,000.00 | 9,992,000.00 | 0.86 | 1.405 | 406 |
| WELLS FARGO & CO. | 7 | 70,000,000.00 | 71,396,300.00 | 6.17 | 1.493 | 742 |
| WELLS FARGO BANK | 1 | 10,000,000.00 | 11,439,300.00 | 0.99 | 1.525 | 471 |
| WFB REPURCHASE-SWEEP | 1 | 80,338,272.11 | 80,338,272.11 | 6.94 | 0.000 | 1 |
| WAL-MART STORES | 1 | 10,000,000.00 | 10,042,000.00 | 0.87 | 1.861 | 866 |
| Total and Average | 98 | 1,153,291,762.72 | 1,157,332,299.25 | 100.00 | 1.373 | 1,488 |

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APPENDIX F

LOCATION MAP OF THE SCHOOL DISTRICT AND IMPROVEMENT DISTRICT

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File: 11-RJUHSD-4.dwg Date: 03-30-2011

Legend:

- School Facilities Improvement District No. 1 (S.F.I.D. No. 1)
- Roseville Joint Union High School District Boundary

School Facilities Improvement District No. 1

Roseville Joint Union High School District

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APPENDIX G

TABLE OF ACCRETED VALUES

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Bond Accreted Value Table
Roseville Joint Union High School District
2016 General Obligation Refunding Bonds, Series B (SFID No. 1)

| Date | Capital Appreciation Bonds 08/01/2030 3% | Capital Appreciation Bonds 08/01/2031 3.07% | Capital Appreciation Bonds 08/01/2032 3.12% | Capital Appreciation Bonds 08/01/2033 3.17% | Capital Appreciation Bonds 08/01/2034 3.22% |
|-----------|--|---|---|---|---|
| 10/5/2016 | 3,312.95 | 3,183.05 | 3,063.60 | 2,945.70 | 2,829.55 |
| 2/1/2017 | 3,344.90 | 3,214.45 | 3,094.30 | 2,975.70 | 2,858.85 |
| 8/1/2017 | 3,395.10 | 3,263.80 | 3,142.60 | 3,022.85 | 2,904.85 |
| 2/1/2018 | 3,446.00 | 3,313.90 | 3,191.60 | 3,070.80 | 2,951.65 |
| 8/1/2018 | 3,497.70 | 3,364.80 | 3,241.40 | 3,119.45 | 2,999.15 |
| 2/1/2019 | 3,550.15 | 3,416.45 | 3,291.95 | 3,168.90 | 3,047.45 |
| 8/1/2019 | 3,603.40 | 3,468.85 | 3,343.30 | 3,219.15 | 3,096.50 |
| 2/1/2020 | 3,657.45 | 3,522.10 | 3,395.45 | 3,270.15 | 3,146.35 |
| 8/1/2020 | 3,712.35 | 3,576.20 | 3,448.45 | 3,322.00 | 3,197.00 |
| 2/1/2021 | 3,768.00 | 3,631.10 | 3,502.25 | 3,374.65 | 3,248.50 |
| 8/1/2021 | 3,824.55 | 3,686.80 | 3,556.85 | 3,428.15 | 3,300.80 |
| 2/1/2022 | 3,881.90 | 3,743.40 | 3,612.35 | 3,482.45 | 3,353.95 |
| 8/1/2022 | 3,940.15 | 3,800.85 | 3,668.70 | 3,537.65 | 3,407.95 |
| 2/1/2023 | 3,999.25 | 3,859.20 | 3,725.95 | 3,593.75 | 3,462.80 |
| 8/1/2023 | 4,059.20 | 3,918.45 | 3,784.05 | 3,650.70 | 3,518.55 |
| 2/1/2024 | 4,120.10 | 3,978.60 | 3,843.10 | 3,708.55 | 3,575.20 |
| 8/1/2024 | 4,181.90 | 4,039.70 | 3,903.05 | 3,767.35 | 3,632.75 |
| 2/1/2025 | 4,244.65 | 4,101.70 | 3,963.95 | 3,827.05 | 3,691.25 |
| 8/1/2025 | 4,308.30 | 4,164.65 | 4,025.80 | 3,887.70 | 3,750.70 |
| 2/1/2026 | 4,372.95 | 4,228.55 | 4,088.60 | 3,949.35 | 3,811.05 |
| 8/1/2026 | 4,438.55 | 4,293.50 | 4,152.35 | 4,011.95 | 3,872.45 |
| 2/1/2027 | 4,505.10 | 4,359.40 | 4,217.15 | 4,075.50 | 3,934.80 |
| 8/1/2027 | 4,572.70 | 4,426.30 | 4,282.95 | 4,140.10 | 3,998.15 |
| 2/1/2028 | 4,641.30 | 4,494.25 | 4,349.75 | 4,205.75 | 4,062.50 |
| 8/1/2028 | 4,710.90 | 4,563.25 | 4,417.60 | 4,272.40 | 4,127.90 |
| 2/1/2029 | 4,781.55 | 4,633.30 | 4,486.50 | 4,340.10 | 4,194.35 |
| 8/1/2029 | 4,853.30 | 4,704.40 | 4,556.50 | 4,408.90 | 4,261.90 |
| 2/1/2030 | 4,926.10 | 4,776.60 | 4,627.60 | 4,478.80 | 4,330.50 |
| 8/1/2030 | 5,000.00 | 4,849.95 | 4,699.75 | 4,549.80 | 4,400.25 |
| 2/1/2031 | | 4,924.40 | 4,773.10 | 4,621.90 | 4,471.10 |
| 8/1/2031 | | 5,000.00 | 4,847.55 | 4,695.15 | 4,543.05 |
| 2/1/2032 | | | 4,923.15 | 4,769.55 | 4,616.20 |
| 8/1/2032 | | | 5,000.00 | 4,845.15 | 4,690.55 |
| 2/1/2033 | | | | 4,921.95 | 4,766.05 |
| 8/1/2033 | | | | 5,000.00 | 4,842.80 |
| 2/1/2034 | | | | | 4,920.75 |
| 8/1/2034 | | | | | 5,000.00 |