NEW ISSUE—BOOK ENTRY ONLY **RATING: S&P: "AA+"**
(See "RATINGS" herein)

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and court decisions, subject to the matters described in "TAX MATTERS – Tax-Exempt Bonds" herein, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, and subject to the satisfaction of certain conditions and to the occurrence of certain events described herein under the heading "INTRODUCTION – Certain Considerations Regarding Forward Delivery of the Tax-Exempt Bonds," interest on the Tax-Exempt Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income for the owners thereof for federal income tax purposes and is not included in computing the federal alternative minimum taxable income of the owners thereof. Interest on the Taxable Bonds will be included in gross income for federal income purposes. See "TAX MATTERS – Taxable Bonds" herein. In the opinion of Bond Counsel, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California.

$47,410,000
LARKSPUR-CORTE MADERA SCHOOL DISTRICT
(Marin County, California)

$7,725,000	$39,685,000
2021 General Obligation Refunding Bonds	**2021 General Obligation Refunding Bonds**
(2000 Election and 2011 Election)	**(2011 Election and 2014 Election)**
Series A	**Series B**
(Forward Delivery)	**(Federally Taxable)**

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

The Larkspur-Corte Madera School District (the "District") is issuing its 2021 General Obligation Refunding Bonds (2000 Election and 2011 Election) Series A (Forward Delivery) (the "Series A Bonds" or the "Tax-Exempt Bonds") and 2021 General Obligation Refunding Bonds (2011 Election and 2014 Election) Series B (Federally Taxable) (the "Series B Bonds" or the "Taxable Bonds," and together with the Tax-Exempt Bonds, the "Bonds") (i) to refund, on a forward-delivery basis, a portion of the District's outstanding (a) 2011 General Obligation Refunding Bonds (the "2011 Prior Bonds"), which refunded portions of the District's General Obligation Bonds, 2000 Election, Series A, and (b) General Obligation Bonds, Election of 2011, Series A (2012) (the "2012A Prior Bonds") and (ii) to refund, on an advance basis, (a) a different portion of the 2012A Prior Bonds and (b) a portion of the District's outstanding General Obligation Bonds, Election of 2014, Series A (2014) (the "2014 Prior Bonds" and, together with the 2011 Prior Bonds and the 2012A Prior Bonds, the "Prior Bonds"). See the caption "PLAN OF REFUNDING" herein.

The Bonds are being issued by the District under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Act"), other applicable laws and regulations of the State of California (the "State"), and pursuant to the resolution of the Board of Trustees of the District, adopted on February 10, 2021.

The Bonds are dated the date of their delivery. The Bonds will mature on the dates and in the amounts and bear interest at the rates shown on the inside cover pages herein. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2021. The Bonds will be issued in denominations of $5,000 principal amount, or integral multiples thereof, and are payable as to principal amount or redemption price at the office of The Bank of New York Mellon Trust Company, N.A., as Paying Agent (the "Paying Agent").

The Bonds are issued in fully registered form and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Bonds as described herein under the caption "THE BONDS – Book-Entry-Only System" herein.

The Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described herein. See "THE BONDS – Optional Redemption" and "–Mandatory Sinking Fund Redemption" herein.

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT, SECURED AND PAYABLE FROM *AD VALOREM* PROPERTY TAXES ASSESSED UPON ALL PROPERTY SUBJECT TO TAXATION BY THE DISTRICT, WHICH THE BOARD OF SUPERVISORS OF THE COUNTY OF MARIN (THE "COUNTY") IS EMPOWERED AND OBLIGATED TO LEVY WITHOUT LIMITATION AS TO RATE OR AMOUNT (EXCEPT FOR CERTAIN PERSONAL PROPERTY WHICH IS TAXABLE AT LIMITED RATES) ALL AS MORE FULLY DESCRIBED UNDER "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" HEREIN. THE BONDS ARE PAYABLE ON A PARITY WITH ALL OTHER GENERAL OBLIGATION BONDS OF THE DISTRICT PAYABLE FROM *AD VALOREM* TAXES.

MATURITY SCHEDULE
(On Inside Cover Pages)

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds will be offered when, as and if issued and received by the Underwriter subject to the approval of legality by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, and certain other conditions. Norton Rose Fulbright US LLP is also acting as Disclosure Counsel for the issue. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. It is expected that the Series B Bonds in definitive form will be available for delivery to the Underwriter through the facilities of DTC on or about March 11, 2021. It is expected that the Series A Bonds in definitive form will be available for delivery to the Underwriter through the facilities of DTC on or about May 4, 2021, subject to the satisfaction of certain conditions. Potential investors should carefully review the information under the caption "INTRODUCTION – Certain Considerations Regarding Forward Delivery of the Series A Bonds." The Underwriter reserves the right to obligate investors purchasing the Series A Bonds to execute and deliver to the Underwriter a Delayed Delivery Contract, the form of which is included herein as APPENDIX G.

RAYMOND JAMES

Dated: February 23, 2021

MATURITY SCHEDULES

$7,725,000
2021 General Obligation Refunding Bonds
(2000 Election and 2011 Election)
Series A
(Forward Delivery)

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No.† (51724T)
2021	$ 255,000	4.00%	0.350%	100.880	BX1
2022	770,000	4.00	0.390	104.466	BY9
2023	830,000	4.00	0.460	107.885	BZ6
2024	890,000	4.00	0.550	111.068	CA0
2025	1,000,000	4.00	0.660	113.947	CB8
2026	435,000	4.00	0.770	116.561	CC6
2027	500,000	4.00	0.890	118.840	CD4
2028	565,000	4.00	1.010	120.827	CE2
2029	630,000	4.00	1.120	122.611	CF9
2030	705,000	4.00	1.220	121.733[C]	CG7
2031	1,145,000	4.00	1.340	120.688[C]	CH5

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the holders of the Bonds. None of the District, its Municipal Advisor or the Underwriter is responsible for the selection or use of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific bond is subject to being changed after the issuance of the bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such bonds.

[C] Yield to call at par on August 1, 2029.

$39,685,000
2021 General Obligation Refunding Bonds
(2011 Election and 2014 Election)
Series B
(Federally Taxable)

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No.† (51724T)
2021	$ 175,000	0.139%	0.139%	100.000	CP7
2022	285,000	0.179	0.179	100.000	CQ5
2023	285,000	0.259	0.259	100.000	CR3
2024	295,000	0.415	0.415	100.000	CS1
2025	590,000	0.721	0.721	100.000	CT9
2026	645,000	0.921	0.921	100.000	CU6
2027	685,000	1.174	1.174	100.000	CV4
2028	730,000	1.374	1.374	100.000	CW2
2029	775,000	1.602	1.602	100.000	CX0
2030	830,000	1.702	1.702	100.000	CY8
2031	890,000	1.802	1.802	100.000	CZ5
2032	2,185,000	1.902	1.902	100.000	DA9
2033	2,330,000	2.002	2.002	100.000	DB7
2034	2,480,000	2.102	2.102	100.000	DC5
2035	2,640,000	2.202	2.202	100.000	DD3
2036	2,810,000	2.302	2.302	100.000	DE1
2037	2,990,000	2.545	2.545	100.000	DF8
2038	3,180,000	2.595	2.595	100.000	CJ1
2039	3,385,000	2.695	2.695	100.000	CK8
2040	3,600,000	2.765	2.765	100.000	CL6
2041	3,825,000	2.815	2.815	100.000	CM4
2042	4,075,000	2.865	2.865	100.000	CN2

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the holders of the Bonds. None of the District, its Municipal Advisor or the Underwriter is responsible for the selection or use of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific bond is subject to being changed after the issuance of the bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such bonds.

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

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

The District maintains a website. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites is not incorporated herein by reference and does not constitute part of this Official Statement.

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

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

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

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

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

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Marin County, State of California

Board of Trustees

District Administrators

Dr. Brett Geithman, Superintendent
Paula Rigney, Chief Business Official

SPECIAL SERVICES

Underwriter

Raymond James & Associates, Inc.
Los Angeles, California

Bond Counsel and Disclosure Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Underwriter's Counsel

Kutak Rock LLP
Irvine, California

Paying Agent

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

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

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$47,410,000
LARKSPUR-CORTE MADERA SCHOOL DISTRICT
(Marin County, California)

$7,725,000 **2021 General Obligation Refunding Bonds** **(2000 Election and 2011 Election)** **Series A** **(Forward Delivery)**	**$39,685,000** **2021 General Obligation Refunding Bonds** **(2011 Election and 2014 Election)** **Series B** **(Federally Taxable)**

INTRODUCTION

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

It is anticipated that the Series A Bonds will be executed and delivered on or about May 4, 2021 in accordance with the Forward Delivery Bond Purchase Agreement. See "– Certain Considerations Regarding Forward Delivery of the Series A Bonds" below. The Underwriter reserves the right to obligate investors purchasing the Series A Bonds to execute and deliver to the Underwriter a Delayed Delivery Contract, the form of which is included herein as Appendix G.

General

This Official Statement, which includes the cover, inside cover pages and appendices hereto is provided to furnish information in connection with the sale by the Larkspur-Corte Madera School District (the "District") of its $7,725,000 aggregate principal amount of 2021 General Obligation Refunding Bonds (2000 Election and 2011 Election) Series A (Forward Delivery) (the "Series A Bonds" or the "Tax-Exempt Bonds") and $39,685,000 aggregate principal amount of 2021 General Obligation Refunding Bonds (2011 Election and 2014 Election) Series B (Federally Taxable) (the "Series B Bonds" or the "Taxable Bonds," and together with the Tax-Exempt Bonds, the "Bonds").

Authority for Issuance; Purposes of the Bonds

The Bonds are being issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the of the California Government Code (commencing with Sections 53550 and 53580, respectively) (the "Refunding Act") and other applicable laws and regulations of the State, and pursuant to a resolution adopted by the Board on February 10, 2021 (the "Resolution").

The proceeds of the Bonds will be applied (i) to refund, on a forward-delivery basis, a portion of the District's outstanding (a) 2011 General Obligation Refunding Bonds (the "2011 Prior Bonds"), which refunded portions of the District's General Obligation Bonds, 2000 Election, Series A, and (b) General Obligation Bonds, Election of 2011, Series A (2012) (the "2012A Prior Bonds") and (ii) to refund, on an advance basis, (a) a different portion of the 2012A Prior Bonds and (b) a portion of the District's outstanding General Obligation Bonds, Election of 2014, Series A (2014) (the "2014 Prior Bonds" and, together with the 2011 Prior Bonds and the 2012A Prior Bonds, the "Prior Bonds") and (ii) the payment of costs of issuance of the Bonds. See "PLAN OF REFUNDING" herein.

The 2011 Prior Bonds so refunded are referred to as the "2011 Refunded Bonds." The 2012A Prior Bonds so refunded are referred to as the "2012A Refunded Bonds." The 2014 Prior Bonds so refunded are referred to as the "2014 Refunded Bonds." The 2011 Refunded Bonds, 2012A Refunded Bonds and the 2014 Refunded Bonds are referred to collectively, as the "Refunded Bonds."

The District

The District (formerly known as the Larkspur School District), was established in 1895 and covers approximately 11.5 square miles in the communities of Larkspur and Corte Madera in Marin County (the "County") and is currently operating three schools (one middle school and two elementary schools). The District serves more than 1,423 students.

The District is governed by a five member Board of Trustees, whose members are elected at large to four-year terms. The members of the District Board elect a president each year. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-today District operations as well as the supervision of the District's other personnel.

The assessed valuation of the District for fiscal year 2020-21 is $5,879,010,757. The District's projected average daily attendance ("ADA") for fiscal year 2020-21 is 1,483.37. The District's audited financial statements for the fiscal year ended June 30, 2020 are attached hereto as APPENDIX C. For further information concerning the District, see APPENDICES A and C attached hereto.

Description of the Bonds

Payments. The Bonds are being issued as current interest bonds. Interest on the Bonds accrues from their date of delivery, computed on the basis of a 360-day year comprised of twelve (12) 30-day months, and such interest with respect to the Bonds is payable on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2021.

Principal of, and premium, if any, on the Bonds is payable when due upon surrender of the Bonds at the office of the Paying Agent. As long as DTC (defined below) is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to Owners only to DTC. The Paying Agent, the District, the County and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records of DTC relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, or interest in the Bonds. The Bonds of each series mature on August 1 in the years indicated on the inside cover pages hereof.

Denomination and Registration. The Bonds will be issued in fully registered form only, without coupons, and will be issued in denominations of $5,000 principal amounts, or any integral multiple thereof. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Owners will not receive physical certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued. See "THE BONDS - Book-Entry Only System" and "APPENDIX E - BOOK-ENTRY ONLY SYSTEM."

Security and Source of Payment for the Bonds

The Bonds are payable from ad valorem taxes upon all property subject to taxation by the District, which the County Board of Supervisors is empowered and obligated to levy without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). Pursuant to Section 15250 of the State Education Code, the County is obligated to levy a tax for each year in which general obligation bonds of the District are outstanding, in an amount not less than that sufficient to pay principal of and interest on all outstanding bonds due during that year. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT, SECURED AND PAYABLE FROM *AD VALOREM* PROPERTY TAXES ASSESSED UPON ALL PROPERTY SUBJECT TO TAXATION BY THE DISTRICT, WHICH THE BOARD OF SUPERVISORS OF THE COUNTY OF MARIN (THE "COUNTY") IS EMPOWERED AND OBLIGATED TO LEVY WITHOUT LIMITATION AS TO RATE OR AMOUNT (EXCEPT FOR CERTAIN PERSONAL PROPERTY WHICH IS TAXABLE AT LIMITED RATES) ALL AS MORE FULLY DESCRIBED UNDER "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" HEREIN. THE BONDS ARE PAYABLE ON A PARITY WITH ALL OTHER GENERAL OBLIGATION BONDS OF THE DISTRICT PAYABLE FROM *AD VALOREM* TAXES.

Certain Considerations Regarding Forward Delivery of the Series A Bonds

Forward Delivery. The District anticipates that the Series A Bonds (but not the Series B Bonds) will be issued and delivered by the District to the Underwriter and purchased by the Underwriter (the "Settlement") on or about May 4, 2021 (the "Settlement Date"). The following is a description of certain provisions of the Forward Delivery Bond Purchase Agreement, dated February 23, 2021 (the "Forward Delivery Bond Purchase Agreement"), by between the District and the Underwriter with respect to the Series A Bonds. This description is not to be considered a full statement of the terms of the Forward Delivery Bond Purchase Agreement and accordingly is qualified by reference thereto and is subject to the full text thereof.

Until such time as the Series A Bonds are issued and delivered by the District and purchased by the Underwriter on the Settlement Date, certain information contained in this Official Statement may change in a material respect. The District agrees in the Forward Delivery Bond Purchase Agreement to update the Official Statement, if necessary in the judgment of the Underwriter or the District, so that the Official Statement as amended or supplemented does not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Additionally, the District agrees in the Forward Delivery Bond Purchase Agreement to prepare an Updated Official Statement, dated a date not more than 25 days nor less than 10 days prior to the Settlement Date, which, as of such date, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. References under "INTRODUCTION - Certain Considerations Regarding Forward Delivery of the Series A Bonds" to the Official Statement as of a specific date shall mean (i) this Official Statement, at any point in time during the period from the date of this Official Statement to but not including the date of delivery of the Updated Official Statement to the Underwriter, and (ii) the Updated Official Statement, from and after the date of delivery of the Updated Official Statement, in each case as amended or supplemented.

Conditions of Settlement. The issuance and purchase of the Series A Bonds on the Settlement Date are subject to the satisfaction of certain conditions set forth in the Forward Delivery Bond Purchase Agreement, including, among other things, the delivery to the Underwriter of certain documents and legal opinions on and as of the initial closing date (the "Closing Date") and certain additional documents and legal opinions, and the satisfaction of other conditions, on and as of the Settlement Date, including the delivery to the Underwriter of: (i) the opinion of Bond Counsel, substantially in the form and to the effect set forth in APPENDIX B relating to the Series A Bonds, (ii) the Updated Official Statement, and (iii) evidence that, as of the Settlement Date, S&P Global Ratings ("S&P") has rated the Series A Bonds and that such Series A Bonds are rated investment grade. Changes or proposed changes in federal or state laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the Settlement Date or the failure by the District to provide closing documents of the type customarily required in connection with the issuance of state and local government tax-exempt bonds could prevent those conditions from being satisfied. None of the Series A Bonds will be issued unless all of the Series A Bonds are issued and delivered on the Settlement Date.

Termination of Forward Delivery Bond Purchase Agreement. Certain events individually provide the Underwriter with the right to terminate its obligation to purchase the Series A Bonds without liability therefor by written notification to the District if, in the reasonable judgment of the Underwriter, at any time on or after the date of the Forward Delivery Bond Purchase Agreement and on or prior to the Settlement:

- There shall have been a Change in Law. A "Change in Law" means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Settlement), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date that is on or before the Settlement) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would, (A) as to the Underwriter, prohibit the Underwriter from completing the underwriting of the Series A Bonds or selling the Series A Bonds or beneficial ownership interests therein to the public, or (B) as to the District, would make the completion of the issuance, sale or delivery of the Series A Bonds illegal.

- As a result of any legislation, regulation, rule, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State either enacted, issued, effective, adopted or proposed (but only with respect to any such proposed legislation, regulation, ruling, order, release, court decision or judgment or action that continues to be proposed as of the Settlement), or for any other reason, Bond Counsel cannot issue an opinion to the effect that (a) the interest on the Series A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), and (b) the interest on the Series A Bonds is exempt from State of California personal income taxes, as stated in the form of opinion of Bond Counsel set forth in APPENDIX B hereto.

- The Official Statement as of the Closing Date, or the Updated Official Statement as of the Settlement Date, contained or contains an untrue statement or misstatement of material fact or omitted or omits to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect.

- Legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the SEC that, in the reasonable opinion of the Underwriter, following consultation with the District, has the effect of requiring the Series A Bonds to be registered under the Securities Act of 1933, as amended, or requires the Resolution to be qualified under the Trust Indenture Act of 1939, as amended, or an event occurs that would cause the sale of the Series A Bonds to be in violation of any provision of the federal or State of California securities laws.

- As of the Settlement, the Series A Bonds are no longer rated investment grade by S&P.

- As of the Settlement, there exists a declaration of a general banking moratorium by federal, New York, or California authorities, or the general suspension of trading on any national securities exchange.

Forward Delivery Contract. The Underwriter reserves the right to obligate investors purchasing the Series A Bonds to execute a Delayed Delivery Contract (the "Delayed Delivery Contract") in substantially the form set forth in APPENDIX G. The Delayed Delivery Contract provides that the purchaser will remain obligated to purchase the Series A Bonds, even if the purchaser decides to sell the purchased bonds following the date of the Delayed Delivery Contract. The District will not be a party to any Delayed Delivery Contract, and the District is not in any way responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the Forward Delivery Bond Purchase Agreement are not conditioned or dependent upon the performance of any Delayed Delivery Contract.

Additional Risks Relating to Forward Delivery Period. Between the date of the Forward Delivery Bond Purchase Agreement and the Settlement Date (the "Forward Delivery Period"), certain information contained in this Official Statement may change in material respects. Any changes in such information will not permit the Underwriter to terminate the Forward Delivery Bond Purchase Agreement or release the purchasers of their obligation to purchase the Series A Bonds, unless the change reflects any of the first five events (exclusive of the sixth event) described under " - Termination of Forward Delivery Bond Purchase Agreement" above. In addition to the risks set forth above, purchasers of the Series A Bonds are subject to certain additional risks, some of which are described below.

Ratings Risk. No assurances can be given that the rating assigned to the Series A Bonds on the Settlement Date will not be different from those currently assigned to the Series A Bonds. Issuance of the Series A Bonds and the Underwriter's obligations under the Forward Delivery Bond Purchase Agreement are not conditioned upon the assignment of any particular ratings for the Series A Bonds or the maintenance of the initial ratings of the Series A Bonds, unless the Series A Bonds are no longer rated investment grade by S&P on the Settlement Date, as described under " - Termination of Forward Delivery Bond Purchase Agreement" above.

Secondary Market Risk. The Underwriter is not obligated to make a secondary market for the Series A Bonds, and no assurance can be given that a secondary market will exist for the Series A Bonds during the Forward Delivery Period or at any time thereafter. Prospective purchasers of the Series A Bonds should assume that there will be no secondary market for the Series A Bonds during the Forward Delivery Period.

Market Value Risk. The market value of the Series A Bonds as of the Settlement Date may be affected by a variety of factors, including, without limitation, general market conditions, the financial condition of the District and the State, and federal and state tax, securities and other laws. The market value of the Series A Bonds as of the Settlement Date could therefore be higher or lower than the price to be paid by the initial purchasers of the Series A Bonds, and that difference could be substantial. Neither the District nor the Underwriter makes any representations as to the expected market value of the Series A Bonds as of the Settlement Date.

Tax Law Risk. Subject to the other conditions of Settlement and the Underwriter's rights of termination described above, the Forward Delivery Bond Purchase Agreement obligates the District to deliver, and the Underwriter to accept, the Series A Bonds if the District delivers an opinion of Bond Counsel substantially in the form and to the effect set forth in APPENDIX B relating to the Series A

Bonds. Notwithstanding that the enactment of new legislation, new court decisions or the promulgation of new regulations or rulings might only diminish (but not completely eliminate) the value of, or otherwise affect, the exclusion from gross income of interest payable on "state or local bonds" (such as the Series A Bonds) for federal income tax purposes, the District might be able to satisfy the requirements for the delivery of the Series A Bonds. In such event, the purchasers would be required to accept delivery of the Series A Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any such changes in tax law and the consequences of such changes to the purchasers. See "TAX MATTERS" herein.

Continuing Disclosure

The District has covenanted for the benefit of the Owners (including beneficial owners of the Bonds) to provide certain financial information and operating data relating to the District (the "Annual Report") by a date not later than 270 days after the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2020-21 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. See "APPENDIX D – FORM OF PROPOSED CONTINUING DISCLOSURE UNDERTAKING." See "LEGAL AND OTHER MATTERS - Continuing Disclosure" herein. These covenants are being made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

COVID-19 Pandemic

Background. The outbreak of the respiratory disease caused by a new strain of coronavirus ("COVID-19") has been declared a Pandemic by the World Health Organization, a National Emergency by President Trump (the "President") and a State of Emergency by California State Governor Newsom (the "Governor"). The emergency has resulted in tremendous volatility in the financial markets in the United States and globally, and the likely onset of a U.S. and global recession. The California Department of Public Health and the United States Centers for Disease Control and Prevention have been providing regular updates and guidelines to the public and to State and local governments. The District cannot predict the extent or duration of the pandemic or what impact it may have on the District's financial condition or operations.

Federal Response. The President's declaration of a National Emergency on March 13, 2020 made available more than $50 billion in federal resources to combat the spread of the virus. A multibillion-dollar Coronavirus relief package was signed into law by the President on March 18, 2020 providing for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. In an effort to calm the markets, the Federal Reserve lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending programs to banks and money market mutual funds.

CARES Act. In response to COVID-19, the U.S. Congress passed the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), which was signed into law on March 27, 2020. The CARES Act appropriates over $2 trillion to (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, including the airline industry, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs and (vii) provide aid to state and local governments. The CARES Act includes $13.2 billion in direct funding for elementary and secondary school emergency relief. California will receive approximately $1.65 billion, with 10 percent set aside for emergencies designated by the California Department of Education. School district distribution is based on a district's share of federal Title I funding which uses a formula based primarily on the number of students whose family income is below the federal poverty threshold of $26,200 for a family of four and who receive Temporary Assistance for Needy Families. The District is estimated to receive $613,200 of CARES Act funding.

On December 27, 2020 the Coronavirus Response and Relief Supplemental Appropriations Act (the "Coronavirus Response and Relief Act") was signed by the President of the United States. The District estimates it may receive about $168,000 under the Coronavirus Response and Relief Act.

State Response. On March 15, 2020, the Governor ordered the closing of California bars and nightclubs, the cancellation of gatherings of more than 250 and confirmed continued funding for school districts that close under certain conditions. On March 16, 2020, the State legislature passed $1.1 billion in general purpose spending authority for emergency funds to respond to the coronavirus crisis. On March 19, 2020, Governor Newsom issued Executive Order N-33-20, a blanket shelter-in-place order, ordering all California residents to stay home except for certain necessities and other essential purposes, which is in effect until further notice.

On March 17, 2020, the Governor signed Senate Bill 117 ("SB 117") as urgency legislation effective immediately. For purposes of school district funding for fiscal year 2019-20, SB 117 limits the average daily attendance reported to the California Department of Education to include the full school months from July 1, 2019, to February 29, 2020. This condensed ADA period applies to school districts that comply with Executive Order N-26-20, which provides that school districts that initiate a school closure to address COVID-19 will continue to receive State funding to support certain enumerated school functions during the period of closure. SB 117 further states the intent of the State Legislature that a school district's employees and contractors are paid during the period of a school closure due to COVID-19. SB 117 also waives instructional time penalties that would otherwise accrue, as long as the school district superintendent, county superintendent or charter school administrator certify that the closure due to COVID-19 caused the school district to fall below applicable instructional time requirements. SB 117 also included $100 million in additional funding to school districts for certain costs incurred as a result of COVID-19. The District received $106,700 from such additional State funding in fiscal year 2019-20.

On March 19, 2020, the Governor ordered all California residents to stay home or at their place of residence to protect the general health and well-being, except as needed to maintain continuity of 16 critical infrastructure sectors described therein. On August 28, 2020, the Governor released a revised system of guidelines for reopening - Blueprint for a Safer Economy ("Blueprint"). The Blueprint assigns each of the State's 58 counties into four color-coded tiers - purple, red, orange and yellow - in descending order of severity, based on the number of new daily cases of COVID-19 and the percentage of positive tests. Counties must remain in a tier for at least three weeks before advancing to the next one. To move forward, a county must meet the next tier's criteria for two consecutive weeks. If a county's case rate and positivity rate fall into different tiers, the county remains in the stricter tier. Schools can reopen for limited in-person instruction once their county has been in the red tier (daily new cases of 4-7 per 100,000 people and 5-8% positive tests) for at least two weeks. Implementation of the Blueprint's guidelines as part of a phased reopening will depend on local conditions, including the level of COVID-19 infections and hospitalization rates for a minimum of 14 days, testing resources of the District and County, and preparedness of the County's healthcare system. Counties in the purple tier can reopen schools if the local health department provides a waiver. As of the date hereof, the County was assigned to the purple tier.

On December 3, 2020, the California Department of Health announced a Regional Stay at home Order (the "Regional Stay at Home Order"), as supplemented on December 6, 2020, which would supersede and modify the four-tier color coded classification. The supplemental order clarifies retail operations and went into effect immediately. The Regional Stay at Home Order prohibited private gatherings of any size, close sector operations except for critical infrastructure and retail, and require 100% masking (with certain exceptions as indicated within guidance for use of face coverings) and physical distancing in all others. The Regional Stay at Home Order triggered and went into effect at 11:59 PM the day after the region has announced that Intensive Care Unit (ICU) capacity had dropped below 15 percent in a given region. State health officials tracked the state by five regions: Northern California, Bay Area, Greater Sacramento, San Joaquin Valley and Southern California. Once triggered, regions would remain in the Regional Stay at Home Order status for at least three weeks. Counties could come off the Regional Stay at Home Order after three weeks if their hospital ICU capacity projected four weeks out reached 15 percent. Counties could return to the Blueprint tier determined by their case rate and test positivity after they are eligible to exit the Regional Stay at Home Order. The Regional Stay at Home Order did not modify existing state guidance regarding K-12 schools. The Regional Stay at Home Order was ended on January 25, 2021, based on projected ICU bed capacity in each region. As such, counties are now subject to the applicable restrictions of the Blueprint.

The COVID-19 pandemic is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the pandemic, the economic impacts and actions that may be taken by governmental authorities to contain the pandemic or to treat its impacts are uncertain and cannot be predicted. Additional information with respect to events surrounding the pandemic of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor's office (http://www.gov.ca.gov) and the California Department of Public Health (https://covid19.ca.gov/). The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites. There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or the federal government, will not materially adversely impact the local, state and national economies or the assessed valuation of property within the District, or adversely impact enrollment or average daily attendance within the District and, notwithstanding Executive Order N-26-20 and the Stay Home Order, materially adversely impact the financial condition or operations of the District. However, the Bonds are general obligations of the District payable solely from unlimited ad valorem property taxes and are not payable from the general fund of the District.

Impact on the District. The District is currently operating with in-person schooling five days per week with smaller cohorts over two-segments per day and with physical education, electives and certain other classes delivered through distance learning. The District's current operating model is consistent with State and local public health guidance and legislation. The District has adopted phase-in plans to implement in-person schooling and distance learning in various combinations to address future COVID-19 developments.

As of February 23, 2021, the County is in the red tier of the Blueprint. The District is currently receiving guidance on COVID-19 from County health officials, the Marin County Office of Education (the "Office of Education"), and the California Department of Education ("CDE") which is monitoring the COVID-19 situation in accordance with COVID-19 guidelines for schools published by the Centers for Disease Control and Prevention.

The District is unable to predict at this time whether new proposals will be enacted or in what form they may take, or whether any new requirements related to reducing the spread of COVID-19 will materially impact its finances or operations. Additional information with respect to events surrounding the pandemic of COVID-19 and responses thereto can be found on Federal, State and local government websites, including but not limited to the Center for Disease Control (the "CDC") (https://www.cdc.gov), the Governor's office (http://www.gov.ca.gov), the California Department of Public Health (http://cdph.ca.gov/) and the County (https://www.marincounty.org). The District has not incorporated by reference the information on such websites and the District does not assume any responsibility for the accuracy of the information on such websites.

As discussed herein under APPENDIX B - "FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT - FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA - Major Revenues - Local Control Funding Formula" herein the District receives much of its revenues from LCFF sources which are comprised of local property taxes and State moneys. State declines in revenue as a consequence of the impacts of COVID-19, could result in a decline in revenue available for funding school districts. In addition, there may be unknown consequences of the COVID-19 emergency, which the District is unable to forecast. The District cannot predict the extent or duration of the pandemic, the overall impact it may have on the District's financial condition, operations, nor the impact of COVID-19 on the assessed values of property within the District and the economy in general. Any financial information, including projections, forecasts and budgets presented herein may not account for the potential or wide-ranging effects of COVID-19.

Impacts on State and Local Revenues. The COVID-19 public health emergency will have negative impacts on global and local economies, including the economy of the State and in the region of the District. The extent and duration of the COVID-19 emergency is currently unknown, and the reach of its impacts uncertain. The State has asserted that the State's General Fund will be materially adversely impacted by the health-related and economic impacts of the COVID-19 pandemic and that the negative impact on revenues will be immediate, affecting the current fiscal year and running into several fiscal years in the future. Delayed deadlines for the filing and payment of personal income, corporation, and sales and use taxes have further created uncertainties for the State with respect to its General Fund cash flows. The State's revenue sources are anticipated to be materially impacted by the COVID-19 pandemic, including with respect to reductions in personal income tax receipts and capital gains tax receipts. Economic uncertainty caused by the pandemic will significantly affect California's near-term fiscal outlook, with a likely recession due to pullback in activity across wide swaths of the economy. In an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed an executive order suspending penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent.

For more detail regarding the State's 2020-21 budget and proposed 2021-22 budget, see APPENDIX B - FINANCIAL AND ECONOMIC INFORMATION FOR THE DISTRICT - FINANCIAL AND OPERATING INFORMATION - FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA herein.

Other Information

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

Copies of documents referred to herein and information concerning the Bonds are available from the Larkspur-Corte Madera School District, 230 Doherty Drive, Larkspur, California 94939, Attention: Chief Business Official. The District may impose a fee for copying such requested documents.

THE BONDS

Authority for Issuance

The Bonds are being issued by the District under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Act") and other applicable laws and regulations of the State, and pursuant to the Resolution. Pursuant to the Refunding Act, general obligation bonds issued for the purpose of refunding outstanding general obligation bonds previously authorized by the voters that do not increase the debt service obligation of taxpayers do not require additional voter approval, either for issuance of such refunding general obligation bonds or the levy of an *ad valorem* property tax sufficient to pay principal of and interest as due on the refunding general obligation bonds.

The Board of Supervisors of the County has the power and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property, which is taxable at limited rates), for the payment of principal of and interest on the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

Delivery of the Bonds

The District expects to deliver the Series A Bonds on or about May 4, 2021, in book-entry form. The forward delivery of the Refunding Bonds is necessary to comply with certain federal income tax requirements under the Code for a current refunding of a portion of the 2011 Prior Bonds and the 2012A Prior Bonds. See "– PLAN OF REFUNDING" herein. There are certain risks associated with the forward delivery of the Series A Bonds. See "INTRODUCTION – Certain Considerations Regarding Forward Delivery of the Series A Bonds."

The District expects to deliver the Series B Bonds on or about March 11, 2021, in book-entry form.

Description of the Bonds

The Bonds will be dated their date of delivery and will be issued in initial denominations of $5,000 or any integral multiple thereof. The Bonds will be issued as current interest bonds with principal payable at the maturity dates of the respective Bonds or their earlier redemption. Interest on each Bond shall accrue from its dated date. Interest on the Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each August 1 and February 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2021, to the registered owners (each, an "Owner") thereof as of the close of business on the fifteenth calendar day of the month preceding any Interest Payment Date (a "Record Date"). Interest on each Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event, interest shall be payable from its dated date; provided, however, that if at the time of registration of any Bond interest thereon is in default, interest thereon shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Bonds will be made on each Interest Payment Date by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date, to the Owner thereof on the Record Date, for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent, which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest.

Principal on the Bonds shall be due and payable on August 1 in each of the years as set forth on the inside cover pages of this Official Statement.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Owners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest, or premium, if any, on the Bonds are payable by wire transfer of New York Clearing House or equivalent next-day funds or by wire transfer of same day funds by The Bank of New York Mellon Trust Company, N.A., as agent for the Treasurer and Tax Collector of the County, as paying agent (the "Paying Agent"), to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC Participants ("DTC Participants") for subsequent disbursement to the Beneficial Owners. Payments of principal and premium, if any, for any Bonds shall be made only upon the surrender of such Bonds to the Paying Agent. See APPENDIX E – "BOOK ENTRY ONLY SYSTEM" herein.

Optional Redemption

Series A Bonds. The Series A Bonds maturing on or before August 1, 2029 are not subject to optional redemption prior to their respective stated maturity dates. The Series A Bonds maturing on or after August 1, 2030, are subject to optional 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, 2029, at a redemption price equal to the principal amount of the Series A Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Series B Bonds. The Series B Bonds maturing on or before August 1, 2031 are not subject to optional redemption prior to their respective stated maturity dates. The Series B Bonds maturing on or after August 1, 2032, are subject to optional 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, 2031, at a redemption price equal to the principal amount of the Series B Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Selection of Bonds for Redemption

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

Notice of Redemption

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

The Paying Agent shall take the following actions with respect to each such Redemption Notice: (i) at least 20 days but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of the Bonds designated for redemption by first-class mail, postage prepaid, at their addresses appearing on the bond register and to the MSRB (defined below); (ii) in the event the Bonds shall no longer be held in book-entry form, at least 35 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (1) first-class mail, postage prepaid, (2) telephonically confirmed facsimile transmission, or (3) overnight delivery service, to each of the Securities Depositories and the MSRB.

"MSRB" shall mean the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access ("EMMA") website located at http://emma.msrb.org, or any other entity designated or authorized by the Commission.

The "Securities Depositories" shall mean DTC and, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories as the District may designate in a certificate delivered to the Paying Agent.

Any Redemption Notice may be conditioned upon the satisfaction of certain conditions and/or the receipt of sufficient moneys to pay the redemption price of the designated Bonds and may be rescinded by the District at any time prior to the scheduled date of redemption by notifying the Owners of affected Bonds and the MSRB in the event such conditions are not met and are not expected to be met and/or such funds are not received or are not expected to be received.

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

Partial Redemption of Bonds

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

"Transfer Amount" shall mean, with respect to any Bonds, the aggregate principal amount of thereof.

Effect of Notice of Redemption

Notice having been given as required in the applicable resolution, and the moneys for redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund for the Bonds or deposited with a duly appointed escrow agent, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed, together with interest to such redemption date, shall be held by the Paying Agent or deposited with a duly appointed escrow agent, in trust, so as to be available therefor on such redemption date, and any conditions to such redemption described in the Redemption Notice shall be met, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable.

Transfer and Exchange

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

Discharge and Defeasance

All or any portion of the outstanding Bonds shall be paid and discharged in any one of the following ways:

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

(b) by depositing with the Paying Agent, or with a duly appointed escrow agent, at or before maturity, cash which, together with the amounts then on deposit in the applicable Debt Service Fund plus the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

(c) by depositing with an institution which meets the requirements for acting as a successor Paying Agent pursuant to the Resolution selected by the District, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge all Bonds outstanding at maturity thereof, including any premium and all interest thereon, for which notice has been given or provided for, notwithstanding that any Bonds shall not have been surrendered for payment;

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

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Debt Service Schedule

The following table summarizes the debt service requirements of the District for all its outstanding general obligation bonds and the Bonds, assuming no optional redemptions:

Bond Year Ending August	Outstanding General Obligation Bonds[(1)]	Series A Bonds		Series B Bonds		Total
		Principal	Interest	Principal	Interest	
2021	$ 2,208,600.00	$ 255,000.00	$ 74,675.00	$ 175,000.00	$ 354,091.42	$ 3,067,366.42
2022	1,399,600.00	770,000.00	298,800.00	285,000.00	910,277.56	3,663,677.56
2023	1,431,400.00	830,000.00	268,000.00	285,000.00	909,767.40	3,724,167.40
2024	1,490,000.00	890,000.00	234,800.00	295,000.00	909,029.26	3,818,829.26
2025	1,255,000.00	1,000,000.00	199,200.00	590,000.00	907,805.00	3,952,005.00
2026	1,830,000.00	435,000.00	159,200.00	645,000.00	903,551.10	3,972,751.10
2027	1,830,000.00	500,000.00	141,800.00	685,000.00	897,610.66	4,054,410.66
2028	1,835,000.00	565,000.00	121,800.00	730,000.00	889,568.76	4,141,368.76
2029	1,835,000.00	630,000.00	99,200.00	775,000.00	879,538.56	4,218,738.56
2030	1,835,000.00	705,000.00	74,000.00	830,000.00	867,123.06	4,311,123.06
2031	-	1,145,000.00	45,800.00	890,000.00	852,996.46	2,933,796.46
2032	-	-	-	2,185,000.00	836,958.66	3,021,958.66
2033	-	-	-	2,330,000.00	795,399.96	3,125,399.96
2034	-	-	-	2,480,000.00	748,753.36	3,228,753.36
2035	-	-	-	2,640,000.00	696,623.76	3,336,623.76
2036	-	-	-	2,810,000.00	638,490.96	3,448,490.96
2037	-	-	-	2,990,000.00	573,804.76	3,563,804.76
2038	-	-	-	3,180,000.00	497,709.26	3,677,709.26
2039	-	-	-	3,385,000.00	415,188.26	3,800,188.26
2040	-	-	-	3,600,000.00	323,962.52	3,923,962.52
2041	-	-	-	3,825,000.00	224,422.50	4,049,422.50
2042	-	-	-	4,075,000.00	116,748.76	4,191,748.76
Total	$16,949,600.00	$7,725,000.00	$1,717,275.00	$39,685,000.00	$15,149,422.00	$81,226,297.00

(1) Excludes debt service on the Refunded Bonds.

Book-Entry Only System

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Owners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners of the Bonds. For further information regarding DTC and the book-entry system, see APPENDIX E – "BOOK-ENTRY ONLY SYSTEM" hereto.

PLAN OF REFUNDING

The net proceeds of the Tax-Exempt Bonds will be applied to refund, on a forward delivery basis, a portion of the 2011 Prior Bonds and a portion of the 2012A Prior Bonds on their first redemption date as set forth in the tables below and to pay costs of issuance.

The net proceeds of the Taxable Bonds will be applied to refund, on an advance basis, a different portion of the 2012A Prior Bonds and a portion of the 2014 Prior Bonds on their respective first redemption date as set forth in the tables below and to pay costs of issuance.

LARKSPUR SCHOOL DISTRICT
(County of Marin, State of California)
2011 General Obligation Refunding Bonds

Redemption Date: August 1, 2021

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Number[1] (517246)
2022	$ 580,000	4.000%	EK6
2023	595,000	4.000	EL4
2025[2]	1,235,000	4.250	EM2

[1] CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the District, the Municipal Advisor, nor the Underwriter take any responsibility for the accuracy of the CUSIP numbers, which are being provided for reference only.
[2] Term Bond.

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LARKSPUR-CORTE MADERA SCHOOL DISTRICT
(County of Marin, State of California)
General Obligation Bonds, Election of 2011,
Series A (2012)

Redemption Date: August 1, 2021

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Number[1] (51724T)
2022[2]	$ 335,000	4.000%	AK0
2023[2]	390,000	4.000	AL8
2024[2]	455,000	2.000	AM6
2025[2]	510,000	3.000	AN4
2026[2]	575,000	3.000	AP9
2027[2]	645,000	3.000	AQ7
2028[2]	720,000	3.000	AR5
2029[2]	795,000	3.000	AS3
2030[2]	875,000	3.000	AT1
2031[2]	965,000	3.000	AU8
2032[3]	1,055,000	4.000	AV6
2033[3]	1,160,000	4.000	AW4
2034[3]	1,270,000	4.000	AX2
2035[3]	1,390,000	4.250	AY0
2036[3]	1,520,000	4.250	AZ7
2039[3][4]	5,440,000	4.500	BA1
2042[3][4]	6,915,000	3.750	BB9

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(2) To be refunded from the proceeds of the Tax-Exempt Bonds.
(3) To be refunded from the proceeds of the Taxable Bonds.
(4) Term Bonds.

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LARKSPUR-CORTE MADERA SCHOOL DISTRICT
(County of Marin, State of California)
General Obligation Bonds, Election of 2014,
Series A (2014)

Redemption Date: August 1, 2024

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Number[(1)] (51724T)
2025	$ 300,000	8.000%	BM5
2027[(2)]	755,000	6.375	BN3
2030[(2)]	1,550,000	5.000	BP8
2031	640,000	3.000	BQ6
2033[(2)]	1,445,000	4.000	BR4
2035[(2)]	1,715,000	3.250	BS2
2037[(2)]	1,990,000	3.375	BT0
2039[(2)]	2,300,000	3.500	BU7
2041[(2)]	2,640,000	3.500	BV5
2044[(2)]	4,700,000	3.500	BW3

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(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the District, the Municipal Advisor, nor the Underwriter take any responsibility for the accuracy of the CUSIP numbers, which are being provided for reference only.
(2) Term Bonds.

On the date of delivery of the Tax-Exempt Bonds, a portion of the net proceeds of the Tax-Exempt Bonds will be deposited into an Escrow Fund (the "Tax-Exempt Escrow Fund") established pursuant to that certain Escrow Agreement, dated as of March 1, 2021 (the "Tax-Exempt Escrow Agreement"), by and between the District and The Bank of New York Mellon Trust Company, N.A., in the capacity of Escrow Agent (the "Escrow Agent"), relating to the Tax-Exempt Bonds.

On the date of delivery of the Taxable Bonds, a portion of the net proceeds of the Taxable Bonds will be deposited into an Escrow Fund (the "Taxable Escrow Fund") established pursuant to that certain Escrow Agreement, dated as of March 1, 2021 (the "Taxable Escrow Agreement," and together with the Tax-Exempt Escrow Agreement, the "Escrow Agreements"), by and between the District and Escrow Agent, relating to the Taxable Bonds.

The net proceeds of the Bonds will be invested under the terms of the Escrow Agreements. Amounts available in the applicable Escrow Fund will be applied to redeem (i) the 2011 Refunded Bonds and the 2012A Refunded Bonds on August 1, 2021, at a redemption price equal to 100% of the principal amount of the 2011 Refunded Bonds and the 2012A Refunded Bonds, together with interest accrued, and (ii) the 2014 Refunded Bonds on August 1, 2024, at a redemption price equal to 100% of the principal amount of the 2014 Refunded Bonds, and to pay accrued interest on the 2014 Refunded Bonds on each interest payment date through and including the redemption date for the 2014 Refunded Bonds.

The Escrow Agreement for the Taxable Escrow Fund provides for the investment of the proceeds of the Series B Bonds deposited thereunder in noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America. The Escrow Agreement for the Tax-Exempt Escrow Fund provides for the proceeds of the Series A Bonds deposited thereunder to be held uninvested.

Causey, Demgen & Moore, P.C., certified public accountants (the "Verification Agent") will verify the sufficiency of amounts so deposited and invested to provide for such payments.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the Bonds are as follows:

Source of Funds	**Series A Bonds**	**Series B Bonds**	**Total**
Principal Amount	$ 7,725,000.00	$ 39,685,000.00	$ 47,410,000.00
Net Premium	1,156,510.35	-	1,156,510.35
Total Sources	$ 8,881,510.35	$ 39,685,000.00	$ 48,566,510.35
Uses of Funds			
Tax-Exempt Escrow Fund	$ 8,820,068.75	$ -	$ 8,820,068.75
Taxable Escrow Fund	-	39,389,261.91	$ 39,389,261.91
Costs of Issuance[1]	61,441.60	295,738.09	357,179.69
Total Uses	$ 8,881,510.35	$ 39,685,000.00	$ 48,566,510.35

[1] Costs of issuance includes, but is not limited to, Underwriter's discount, printing and rating costs, demographics, fees and expenses of the Paying Agent, Escrow Agent, Municipal Advisor, Bond and Disclosure Counsel and the Verification Agent.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are general obligations of the District, secured and payable solely from unlimited *ad valorem* property taxes collected against taxable properties within the boundaries of the District. The Bonds are general obligations of the District only and are not obligations of the County, the State of California or any of its other political subdivisions. The Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* taxes upon all property within the District subject to taxation by the County, without limitation as to rate or amount (except certain personal property which is taxable at limited rates) for payment of both principal of and interest on the Bonds. See " – Assessed Valuations" herein for further information regarding the assessed valuation and property tax collection information within the District.

Assessed Valuations – Constitutional and Statutory Initiatives

Article XIIIA of the California Constitution. Article XIIIA of the California Constitution limits the amount of any *ad valorem* tax on real property, to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness or 55% of voters voting on the proposition. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." The full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Other amendments to the California Constitution have implemented and modified limits on reassessment of property value upon transfers. Most recently, Proposition 19 limits people who inherit family properties from keeping a low property tax base resulting from the 2% restriction on increases, unless they use the home as their primary residence. It also allows homeowners who are over 55 years of age, disabled, or victims of a wildfire or natural disaster to transfer their assessed value of their primary home to a newly purchased or newly constructed replacement primary residence up to three times.

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

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment 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 is shown at full market value on the tax rolls, with tax rates expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all general tax rates reflect the $1 per $100 of taxable value.

Assessed Valuations of the District

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIIIA of the California Constitution.

The State-reimbursed exemption currently provides a credit of $7,000 of the full value of an owner-occupied dwelling for which application has been made to the County Assessor. The revenue estimated to be lost to local taxing agencies due to the exemption is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt value and is not reduced by any amount for estimated or actual delinquencies.

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

For fiscal year 2020-21, the District's total assessed valuation is $5,879,010,757. Shown in the following tables is information relating to the assessed valuation of property in the District during fiscal years 2014-15 through 2020-21, assessed valuation and parcels by land use, and per parcel assessed valuation of single-family homes.

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Summary of Assessed Valuations

	Local Secured	Utility	Unsecured	Total
2014-15	$3,886,707,379	$978,576	$146,872,258	$4,034,558,213
2015-16	4,248,418,756	978,576	159,327,528	4,408,724,860
2016-17	4,566,374,742	978,576	176,413,979	4,743,767,297
2017-18	4,820,499,429	978,576	192,867,404	5,014,345,409
2018-19	5,098,158,369	890,802	193,574,920	5,292,624,091
2019-20	5,363,116,682	890,802	206,831,148	5,570,838,632
2020-21	5,646,233,980	890,802	231,885,975	5,879,010,757

Source: California Municipal Statistics, Inc.

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
2020-21 Assessed Valuation by Jurisdiction

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
Town of Corte-Madera	$3,398,832,055	57.81%	$ 3,844,519,600	88.41%
City of Larkspur	2,391,605,670	40.68	4,694,634,314	50.94
City of Mill Valley	38,217,003	0.65	6,529,551,720	0.59
Town of Tiburon	2,260	0.00	6,100,539,701	0.00
Unincorporated Marin County	50,353,769	0.86	22,689,432,381	0.22
Total District	$5,879,010,757	100.00%		
Marin County	$5,879,010,757	100.00%	$86,326,395,574	6.81%

Source: California Municipal Statistics, Inc.

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LARKSPUR-CORTE MADERA SCHOOL DISTRICT
2020-21 Assessed Valuation and Parcels by Land Use

Non-Residential:	2020-21 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Commercial/Office	$808,666,000	14.32%	164	3.04%
Vacant Commercial	5,003,830	0.09	13	0.24
Industrial	20,401,752	0.36	14	0.26
Vacant Industrial	332,876	0.01	7	0.13
Government/Social/Institutional	2,940,571	0.05	67	1.24
Subtotal Non-Residential	$837,345,029	14.83%	265	4.92%
Residential:				
Single Family Residence	$4,063,665,391	71.97%	3,942	73.18%
Condominium/Townhouse	404,558,625	7.17	704	13.07
Mobile Home Park	1,388,696	0.02	55	1.02
2+ Residential Units/Apartments	301,880,504	5.35	199	3.69
Vacant Residential	37,395,735	0.66	222	4.12
Subtotal Residential	$4,808,888,951	85.17%	5,122	95.08%
Total	$5,646,233,980	100.00%	5,387	100.00%

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

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LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Per Parcel 2020-21 Assessed Valuation of Single-Family Homes

	No. of Parcels	2020-21 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single-Family Residential	3,942	$4,063,665,391	$1,030,864	$900,651

2020-21 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	120	3.044%	3.044%	$ 9,987,630	0.246%	0.246%
$100,000 - $199,999	474	12.024	15.068	67,173,915	1.653	1.899
$200,000 - $299,999	230	5.835	20.903	57,208,378	1.408	3.307
$300,000 - $399,999	166	4.211	25.114	57,563,293	1.417	4.723
$400,000 - $499,999	189	4.795	29.909	85,916,557	2.114	6.837
$500,000 - $599,999	202	5.124	35.033	111,526,216	2.744	9.582
$600,000 - $699,999	188	4.769	39.802	122,168,034	3.006	12.588
$700,000 - $799,999	181	4.592	44.394	135,646,248	3.338	15.926
$800,000 - $899,999	217	5.505	49.899	184,106,778	4.531	20.457
$900,000 - $999,999	229	5.809	55.708	218,048,770	5.366	25.823
$1,000,000 - $1,099,999	200	5.074	60.781	209,585,944	5.158	30.980
$1,100,000 - $1,199,999	195	4.947	65.728	223,997,109	5.512	36.492
$1,200,000 - $1,299,999	171	4.338	70.066	212,977,430	5.241	41.733
$1,300,000 - $1,399,999	144	3.653	73.719	193,705,186	4.767	46.500
$1,400,000 - $1,499,999	146	3.704	77.423	211,708,544	5.210	51.710
$1,500,000 - $1,599,999	126	3.196	80.619	195,047,835	4.800	56.510
$1,600,000 - $1,699,999	95	2.410	83.029	157,203,153	3.869	60.378
$1,700,000 - $1,799,999	108	2.740	85.769	188,842,521	4.647	65.025
$1,800,000 - $1,899,999	75	1.903	87.671	138,657,547	3.412	68.438
$1,900,000 - $1,999,999	63	1.598	89.269	122,654,022	3.018	71.456
$2,000,000 and greater	423	10.731	100.000	1,159,940,281	28.544	100.000
Total	3,942	100.000%		$4,063,665,391	100.000%	

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

Tax Rates, Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a "floating lien date"). 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 property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

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

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax-defaulted on or about June 30. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus costs and redemption penalty of one and ½% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the County Treasurer.

Property taxes on the unsecured roll are currently due as of the January 1 lien date prior to the commencement of a fiscal year and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of 1 ½% per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements, bank accounts or possessory interests belonging or assessed to the taxpayer.

The County levies and collects all property taxes for property falling within its taxing boundaries.

The following tables set forth secured tax charges levied and delinquencies in the District for fiscal years 2013-14 through 2019-20.

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Secured Tax Charges and Delinquencies

	Secured Tax Charge[1]	Amt. Del. June 30	% Del. June 30
2013-14	$2,476,375.09	$ 15,860.57	0.64%
2014-15	2,384,562.56	16,742.69	0.70
2015-16	3,103,691.64	18,028.39	0.58
2016-17	3,117,300.83	19,013.34	0.61
2017-18	3,263,913.13	15,629.37	0.48
2018-19	3,803,398.51	479,563.01	12.61
2019-20	3,398,449.30	19,042.18	0.56

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

Alternative Method of Tax Apportionment

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in section 4701 et seq. of the California Revenue and Taxation Code. The Teeter Plan guarantees distribution of 100% of the general taxes levied to the taxing entities within the County, with the County retaining all penalties and interest penalties affixed upon delinquent properties and redemptions of subsequent collections. Under the Teeter Plan, the County apportions secured property taxes on a cash basis to local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency. At the conclusion of each fiscal year, the County distributes 100% of any taxes delinquent as of June 30th to the respective taxing entities.

The Teeter Plan is applicable to secured property tax levies. As adopted by the County, the Teeter Plan excludes Mello-Roos Community Facilities Districts, special assessment districts, and benefit assessment districts.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the 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 roll in that agency. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency, but penalties and interest would be credited to the political subdivisions.

The District is not aware of any petitions for the discontinuance of the Teeter Plan in the County.

Tax Rates

The following table sets forth typical tax rates levied as a percentage of assessed value in Tax Rate Area 8604 for fiscal years 2016-17 through 2020-21.

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Typical Total Tax Rates (TRA 2-000)[(1)]

	2016-17	2017-18	2018-19	2019-20	2020-21
General Tax Rate	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Larkspur-Corte Madera School District	.0685	.0680	.0658	.0549	.0709
Tamalpais Union High School District	.0288	.0269	.0258	.0239	.0226
Marin Community College District	.0142	.0338	.0339	.0269	.0265
Marin Healthcare District	.0093	.0201	.0190	.0175	.0218
Total	1.1208%	1.1488%	1.1445%	1.1232%	1.1418%

(1) 2020-21 assessed valuation of TRA 2-000 is $3,394,448,776.
Source: California Municipal Statistics, Inc.

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Largest Taxpayers

The 20 largest local secured taxpayers in the District and their assessed valuations for 2020-21 are shown in the following table.

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Largest 2020-21 Local Secured Taxpayers

	Property Owner	Primary Land Use	2020-21 Assessed Valuation	% of Total[1]
1.	Corte Madera Village LLC	Commercial	$159,120,930	2.82%
2.	770 Tamalpais Dr. Inc.	Commercial	108,620,670	1.92
3.	195-205 Tamal Vista Boulevard LLC	Commercial	100,749,643	1.78
4.	Nordstrom Inc.	Commercial	64,526,053	1.14
5.	Paradise Office Partners Holding Co	Commercial	55,203,420	0.98
6.	Larkspur Real Estate Partners I	Commercial	36,528,060	0.65
7.	CM Marketplace LLC	Commercial	25,106,862	0.44
8.	JP APTOS PROPERTY LLC	Commercial	24,733,448	0.44
9.	800 Corte Madera LLC	Residential	21,817,800	0.39
10.	Reis Family LLC	Commercial	19,783,588	0.35
11.	Macy's Primary Real Estate Inc.	Commercial	16,509,312	0.29
12.	Omega Three Trust	Residential	16,091,730	0.28
13.	1441 Casa Buena Partners LLC	Apartments	15,296,153	0.27
14.	Upper Skylark LLC	Apartments	14,408,385	0.26
15.	Anka LLC	Apartments	14,255,646	0.25
16.	Theodore J. Stevens, Trust	Commercial	13,037,656	0.23
17.	Vons Companies Inc.	Commercial	12,637,579	0.22
18.	Professional Investors 47 LLC	Commercial	9,550,000	0.17
19.	Miller Family Trust	Residential	8,905,184	0.16
20.	Professional Investors 26 LLC	Commercial	8,875,844	0.16
			$745,757,963	13.21%

(1) 2020-21 Local Secured Assessed Valuation: $5,646,233,980
Source: California Municipal Statistics, Inc.

District Debt

Prior to delivery of the Bonds, the District's outstanding general obligation indebtedness as of February 1, 2021 was $51,601,092, which is approximately 0.88% of its total 2020-21 assessed valuation. The District has general obligation bonds outstanding pursuant to: (i) a bond authorization for the issuance and sale of not more than $21,700,000 aggregate principal amount of general obligation bonds approved by more than two-thirds (2/3) of the voters of the District voting at an election held on June 6, 2000 (the "2000 Authorization"), (ii) a bond authorization for the issuance and sale of not more than $26,000,000 aggregate principal amount of general obligation bonds approved by more than 55% of the voters of the District voting at an election held on November 8, 2011 (the "2011 Authorization"), and (iii) a bond authorization for the issuance and sale of not more than $19,000,000 aggregate principal amount of general obligation bonds approved by more than 55% of the voters of the District voting an election held on June 3, 2014 (the "2014 Authorization" and, together with the 2000 Authorization and the 2011 Authorization, the "Bond Authorizations") pursuant to which the Bonds are issued.

The following table is a statement of the District's direct and estimated overlapping bonded debt as of February 1, 2021. The debt report is included for general information purposes only. Neither the

District nor the Underwriter has reviewed the debt report for completeness or accuracy and neither makes any representation in connection therewith.

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

Column 1 in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in Column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

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LARKSPUR-CORTE MADERA SCHOOL DISTRICT
DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

2020-21 Assessed Valuation: $5,879,010,757

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 2/1/21
Marin Community College District	6.820%	$ 29,992,655
Tamalpais Union High School District	11.438	10,094,035
Larkspur-Corte Madera School District	**100.**	**51,601,092**[(1)]
Marin Healthcare	8.168	29,883,036
Marin Emergency Radio Authority Parcel Tax Bonds	6.810	2,023,592
Community Facilities Districts	0.585-100.	10,692,950
City 1915 Act Bonds	100.	460,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$134,747,360
OVERLAPPING GENERAL FUND DEBT:		
Marin County General Fund Obligations	6.810%	$ 5,425,485
Marin County Pension Obligation Bonds	6.810	4,801,050
Marin County Transit District General Fund Obligations	6.810	1,639
Marin Municipal Water District General Fund Obligations	8.669	1,698
Marin Community College District General Fund Obligations	6.820	883,929
City of Corte Madera General Fund Obligations	88.407	7,273,449
City of Larkspur General Fund and Pension Obligation Bonds	50.943	22,403,231
City of Mill Valley General Fund and Pension Obligation Bonds	0.585	32,685
Kentfield Fire Protection District General Fund Obligations	0.404	4,266
Twin Cities Police Authority General Fund Obligations	67.810	52,290
TOTAL OVERLAPPING GENERAL FUND DEBT		$40,879,722
COMBINED TOTAL DEBT		$175,627,082[(2)]

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

Ratios to 2020-21 Assessed Valuation:
Direct Debt ($51,601,092)..0.88%
Total Direct and Overlapping Tax and Assessment Debt......2.29%
Combined Total Debt 2.99%

Source: California Municipal Statistics, Inc.

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Pledge of Tax Revenues

Pursuant to the Resolution, the District pledges all revenues from the property taxes collected from the levy by the County Board of Supervisors for the payment of the Bonds and amounts on deposit in the debt service fund of the District to the payment of the principal or redemption price of and interest on the Bonds.

This pledge is valid and binding from the date of adoption of the Resolution for the benefit of the owners of the Bonds and successors thereto. The Resolution provide that the property taxes and amounts held in the debt service fund of the District are immediately subject to this pledge, and the pledge constitutes a lien and security interest which immediately attaches to the property taxes and amounts held in the debt service fund of the District to secure the payment of the Bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. "Bonds" for purpose of this pledge means all bonds of the District heretofore or hereafter issued pursuant to voter approved measures of the District, including any refunding bonds thereof, as all such Bonds are required by State law to be paid from the respective debt service fund of the District.

The Resolution provides that the pledge is an agreement between the District and the bondholders to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds and each of the other bonds secured by the pledge are or were issued to finance one or more of the projects specified in the applicable voter-approved measure or to refinance outstanding general obligation bonds.

Statutory Lien for General Obligation Bonds

Pursuant to Senate Bill 222 (2015) ("SB 222") codified at State Government Code Section 53515 provides that all general obligation bonds issued by local agencies on or after January 1, 2016, including the Bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the District or its governing board, and will be valid and binding from the time the bonds are executed and delivered. See also "LEGAL MATTERS – Possible Limitations on Remedies; Bankruptcy – *Statutory Lien"* herein.

***Ad Valorem* Property Tax Collection**

Factors Affecting Assessed Valuation. The annual tax rate will be based on the assessed value of taxable property in the District. Changes in the annual debt service on the District's outstanding general obligation bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate. Economic and other factors beyond the District's control, such as economic recession, deflation of land values, global pandemics, such as the COVID-19 pandemic, relocation of businesses out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, mudslide, drought, sea-level rise, fire, debris flow or other natural disaster, could cause a reduction in the assessed value of taxable property in the District and, all other factors being equal, necessitate a corresponding increase in the annual tax rate. Conversely, factors such as increased assessed value of taxable property and/or an increase in the numbers of property taxpayers within the District could, all other factors being equal, cause a corresponding decrease in the annual tax rate.

On May 6, 2020, Governor Newsom issued Executive Order N-61-20 ("Executive Order N-61-20"), suspending penalties, costs or interest for the failure to pay taxes on property on the secured or unsecured roll, or to pay a supplemental bill, before the date and time such taxes became delinquent, and cancelling penalties, costs, and interest, through May 6, 2021. Executive Order N-61-20 applies to residential real property occupied by the taxpayer, or real property owned and operated by certain qualified small business, and requires that taxes owed on the property in question not be delinquent prior to March 4, 2020 and the taxpayer demonstrate economic hardship or that the failure to pay taxes was due to the COVID-19 pandemic.

The District cannot predict the level of delinquent property tax payments due to the COVID-19 pandemic or the effect that Executive Order N-61-20 will have on such level of delinquencies, or whether any further action will be taken by the State with respect to property tax payment or deadlines or delinquent payment of property taxes. The District cannot anticipate how the County will proceed with requests to cancel penalties on late property tax payments or any potential future adjustments to property tax payments related to COVID-19. The District cannot predict whether future property tax deadlines will remain in effect or the extent of delinquencies and delayed tax collections. See, however, " - Alternative Method of Tax Apportionment" above. Further, State law requires each county to levy ad valorem property taxes sufficient to pay the Bonds when due. If delinquencies increase substantially as a result of the unprecedented events of the COVID-19 pandemic or other events outside the control of the District, the counties have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

The level of property tax delinquencies is affected by economic factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession. The District cannot predict whether the COVID-19 pandemic will have a significant effect on the rate of delinquency in the payment of property taxes in the District. See "INTRODUCTION – COVID-19 Pandemic" herein.

An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by natural or manmade disasters, such as earthquake, flood, fire, wildfire, toxic dumping, acts of terrorism, etc. Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. In recent years, portions of California, including the County, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. Property damage due to wildfire could result in a significant decrease in the assessed value of the District. There has been no significant effect to assessed values as a result of recent wildfire activity. It is not possible for the District to make any representation regarding the extent to which wildfires or other disasters could cause reduced economic activity within the boundaries of the District or impact the value of taxable property within the District.

Proposition 50, Proposition 171 and Proposition 19. On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIIIA of the State Constitution to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

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

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

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

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

Proposition 19. On November 3, 2020, the voters of the State approved Proposition 19, which adds sections 2.1, 2.2, and 2.3 to article XIII A of the California Constitution, implementing and modifying limits on reassessment of property value upon transfers. Proposition 19 limits people who inherit family properties from keeping a low property tax base resulting from the 2% restriction on increases, unless they use the home as their primary residence. It also allows homeowners who are over 55 years of age, disabled, or victims of a wildfire or natural disaster to transfer their assessed value of their primary home to a newly purchased or newly constructed replacement primary residence up to three times.

Prospective purchasers of the Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Bonds. The consequence of any decrease in assessed valuation is a corresponding increase in the *tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to cover debt service on the Bonds in full.*

TAX MATTERS

Tax-Exempt Bonds

Tax Exemption. The delivery of the Tax-Exempt Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Tax-Exempt Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Tax-Exempt Bonds (the "Code"), of the owners thereof pursuant to section 103 of the Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The delivery of the Tax-Exempt Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State of California, that interest on the Tax-Exempt Bonds is exempt from personal income taxes of the State of California. A form of Bond Counsel's anticipated opinion is included in Appendix B. The statutes, regulations, rulings, and court decisions on which such opinion will be based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate of even date with the date of delivery of the Tax-Exempt Bonds pertaining to the use, expenditure and investment of the proceeds of the Tax-Exempt Bonds (the "Tax Certificate") and will assume satisfaction of certain conditions and to the occurrence of certain events described herein under the heading "INTRODUCTION – Certain Considerations Regarding Forward Delivery of the Refunding Bonds" and continuing compliance with the provisions of the New Money Resolution by the District subsequent to the issuance of the Tax-Exempt Bonds. The New Money Resolution and the Tax Certificate contain covenants by the District with respect to, among other matters, the use of the proceeds of the Tax-Exempt Bonds and the facilities and equipment financed or refinanced therewith by persons other than state or local governmental units, the manner in which the proceeds of the Tax-Exempt Bonds are to be invested, if required, the calculation and payment to the United States Treasury of any "arbitrage profits" and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Tax-Exempt Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Tax-Exempt Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should be aware that the ownership of tax-exempt obligations such as the Tax-Exempt Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the "IRS") or the State of California with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS or the State of California. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Tax-Exempt Bonds is commenced, under current procedures, the IRS is likely to treat the District as the "taxpayer," and the owners of the Tax-Exempt Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Tax-Exempt Bonds, the District may have different or conflicting interests from the owners of the Tax-Exempt Bonds. Public awareness of any future audit of the Tax-Exempt Bonds could adversely affect the value and liquidity of the Tax-Exempt Bonds during the pendency of the audit, regardless of its ultimate outcome.

Existing law may change to reduce or eliminate the benefit to Bondholders of the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Tax-Exempt Bonds

The initial public offering of certain of the Tax-Exempt Bonds (the "Discount Tax-Exempt Bonds") may be less than the amount payable on such Tax-Exempt Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Tax-Exempt Bond (assuming that a substantial amount of the Discount Tax-Exempt Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Tax-Exempt Bond. A portion of such original issue discount, allocable to the holding period of such Discount Tax-Exempt Bond by the initial purchaser, will, upon the disposition of such Discount Tax-Exempt Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Tax-Exempt Bond taking into account the semiannual compounding of accrued interest at the yield to maturity on such Discount Tax-Exempt Bond, and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, "S" corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Tax-Exempt Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Tax-Exempt Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Tax-Exempt Bond was held) is includable in gross income.

Owners of Discount Tax-Exempt Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued original issue discount on Discount Tax-Exempt Bonds and with respect to the state and local tax consequences of owning and disposing of Discount Tax-Exempt Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Tax-Exempt Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Tax-Exempt Bonds (the "Premium Tax-Exempt Bonds") paid by an owner may be greater than the amount payable on such bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Tax-Exempt Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Tax-Exempt Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Tax-Exempt Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Tax-Exempt Bond, the yield based on a call date that results in the lowest yield on the Tax-Exempt Bond). Purchasers of the Premium Tax-Exempt Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Tax-Exempt Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Tax-Exempt Bonds.

Taxable Bonds

General. The delivery of the Taxable Bonds is subject to delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State, that interest on the Taxable Bonds is exempt from personal income taxes of the State of California.

The following is a general summary of the United States federal income tax consequences of the purchase and ownership of the Taxable Bonds. The discussion is based upon laws, Treasury Regulations, rulings and decisions now in effect, all of which are subject to change or possibly differing interpretations. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of United States federal income taxation that may be relevant to a particular investor in the Taxable Bonds in light of the investor's particular personal investment circumstances or to certain types of investors subject to special treatment under United States federal income tax laws (including insurance companies, tax exempt organizations, financial institutions, brokers-dealers, and persons who have hedged the risk of owning the Taxable Bonds). The summary is therefore limited to certain issues relating to initial investors who will hold the Taxable Bonds as "capital assets" within the meaning of section 1221 of the Code, and acquire such Taxable Bonds for investment and not as a dealer or for resale. Prospective investors should note that no rulings have been or will be sought from the IRS or the State of California with respect to any of the U.S. federal income tax consequences discussed herein, and no assurance can be given that the IRS or the State of California will not take contrary positions. A form of Bond Counsel's anticipated opinion is included on page B-4 of Appendix B.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE TAXABLE BONDS.

Payments of Stated Interest on the Taxable Bonds. The stated interest paid on the Taxable Bonds will be included in the gross income, as defined in section 61 of the Code, of the beneficial owners thereof and be subject to U.S. federal income taxation when received or accrued, depending on the tax accounting method applicable to the beneficial owners thereof.

Original Issue Discount. If a substantial amount of the Taxable Bonds of any stated maturity is purchased at original issuance for a purchase price (the "Issue Price") that is less than their face amount by more than one quarter of one percent times the number of complete years to maturity, the Taxable Bonds of such maturity will be treated as being issued with "original issue discount." The amount of the original issue discount will equal the excess of the principal amount payable on such Taxable Bonds at maturity over its Issue Price, and the amount of the original issue discount on the Taxable Bonds will be amortized over the life of the Taxable Bonds using the "constant yield method" provided in the Treasury Regulations. As the original issue discount accrues under the constant yield method, the beneficial owners of the Taxable Bonds, regardless of their regular method of accounting, will be required to include such accrued amount in their gross income as interest. This can result in taxable income to the beneficial owners of the Taxable Bonds that exceeds actual cash distributions to the beneficial owners in a taxable year.

The amount of the original issue discount that accrues on the Taxable Bonds each taxable year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner's gross income while the beneficial owner holds the Taxable Bonds will increase the adjusted tax basis of the Taxable Bonds in the hands of such beneficial owner.

Premium. If a beneficial owner purchases a Taxable Bond for an amount that is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased the Taxable Bond with "amortizable bond premium" equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of the Taxable Bond and may offset interest otherwise required to be included in respect of the Taxable Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Taxable Bond held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Taxable Bond. However, if the Taxable Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Taxable Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Medicare Contribution Tax. Pursuant to section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over $200,000 for unmarried individuals ($250,000 for married couples filing a joint return and a surviving spouse). Holders of the Taxable Bonds should consult with their tax advisor concerning this additional tax, as it may apply to interest earned with respect to the Taxable Bonds as well as gain on the sale of a Taxable Bond.

Disposition of Taxable Bonds and Market Discount. A beneficial owner of Taxable Bonds will generally recognize gain or loss on the redemption, sale or exchange of a Taxable Bond equal to the difference between the redemption or sales price (exclusive of the amount paid for accrued interest) and the beneficial owner's adjusted tax basis in the Taxable Bonds. Generally, the beneficial owner's adjusted tax basis in the Taxable Bonds will be the beneficial owner's initial cost, increased by the original issue discount previously included in the beneficial owner's income to the date of disposition. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the beneficial owner's holding period for the Taxable Bonds.

Under current law, a purchaser of Taxable Bonds who did not purchase the Taxable Bonds in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition of the Taxable Bonds, to recognize as ordinary income a portion of the gain, if any, to the extent of the accrued "market discount." Market discount is the amount by which the price paid for the Taxable Bonds by a subsequent purchaser is less than the sum of Issue Price and the amount of original issue discount previously accrued on the Taxable Bonds. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Taxable Bonds with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The re-characterization of gain as ordinary income on a subsequent disposition of Taxable Bonds could have a material effect on the market value of the Taxable Bonds.

Legal Defeasance. If the District elects to defease the Taxable Bonds by depositing in escrow sufficient cash and/or obligations to pay when due outstanding Taxable Bonds (a "legal defeasance"), under current tax law, a beneficial owner of Taxable Bonds may be deemed to have sold or exchanged its Taxable Bonds. In the event of such a legal defeasance, a beneficial owner of Taxable Bonds generally would recognize gain or loss in the manner described above. Ownership of the Taxable Bonds after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different from those described above, and each beneficial owner should consult its own tax advisor regarding the consequences to such beneficial owner of a legal defeasance of the Taxable Bonds.

Backup Withholding. Under section 3406 of the Code, a beneficial owner of the Taxable Bonds who is a United States person, as defined in section 7701(a)(30) of the Code, may, under certain circumstances, be subject to "backup withholding" on payments of current or accrued interest on the Taxable Bonds. This withholding applies if such beneficial owner of Taxable Bonds: (i) fails to furnish to payor such beneficial owner's social security number or other taxpayer identification number ("TIN"); (ii) furnishes the payor an incorrect TIN; (iii) fails to report properly interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such beneficial owner is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain beneficial owners of the Taxable Bonds. Beneficial owners of the Taxable Bonds should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest received by the beneficial owners of the Taxable Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a United States person and providing the name and address of such beneficial owner; (ii) such interest is treated as not effectively connected with the beneficial owner's United States trade or business; (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Taxable Bonds is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such beneficial owner is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such beneficial owner is not a bank receiving interest with respect to the Taxable Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments with respect to the Taxable Bonds are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no backup withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8BEN, Form W-8EXP or Form W-8IMY, as applicable, provided the payor does not have actual knowledge that such person is a U.S. person.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Taxable Bonds and sales proceeds of Taxable Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and will apply to "foreign pass-through payments" but no earlier than two years after the date of publication of final regulations defining the term "foreign pass-through payment." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

Reporting of Interest Payments. Subject to certain exceptions, interest payments made to beneficial owners with respect to the Taxable Bonds will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 which will reflect the name, address, and TIN of the beneficial owner. A copy of Form 1099 will be sent to each beneficial owner of a Taxable Bond for U.S. federal income tax purposes.

LEGAL OPINION

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Norton Rose Fulbright US LLP, Bond Counsel to the District. Complete copies of the proposed forms of Bond Counsel opinions are contained in APPENDIX B herein. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Compensation to be paid to Bond Counsel and Disclosure Counsel is contingent upon the issuance of the Bonds.

LEGALITY FOR INVESTMENT

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

VERIFICATION AGENT

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter relating to the computation of the projected payments of principal and interest to retire the Refunded Bonds will be verified by Causey, Demgen & Moore, P.C., as Verification Agent. Such computations will be based solely on assumptions and information supplied by the District and the Underwriter. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome. See "PLAN OF REFUNDING" herein.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), has assigned its municipal bond ratings of "AA+" to the Bonds. No application has been made to any other rating agency in order to obtain additional ratings on the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. Such ratings reflect only the views of S&P, and an explanation of the significance of such ratings may be obtained as follows: S&P at Municipal Finance Department, 55 Water Street, New York, New York 10041, tel. (212) 208-8000. The above described rating is not a recommendation to buy, sell or hold the Bonds. The District and the Underwriter undertake no responsibility either to bring to the attention of the owners of the Bonds the revision or the withdrawal of any rating obtained or to oppose any downward revision or withdrawal. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

LEGAL AND OTHER MATTERS

Continuing Disclosure

Current Undertaking. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the SEC, the District will enter into a Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking") in the form of APPENDIX D hereto, on or prior to the sale of the Bonds in which the District will undertake, for the benefit of the Beneficial Owners of the Bonds, to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than 270 days after the end of the District's fiscal year (which currently ends June 30), commencing with the report for fiscal year 2020-21, and to provide notices of the occurrence of certain listed events, as set forth therein. The covenants contained in the Continuing Disclosure Undertaking have been made to assist the Underwriter in complying with the Rule. See APPENDIX D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" hereto.

Previous Undertakings. The District has conducted a review of the compliance of the District, with their respective previous continuing disclosure undertakings pursuant to the Rule. This review has concluded that within the last five years, the District did not timely file three notices of rating changes (two in 2017 and one in 2019) as required with respect to District general obligation bonds. As of the date hereof, the District has submitted all information for its outstanding obligations required to be submitted by the District's continuing disclosure undertakings.

In order to ensure future compliance with its continuing disclosure undertakings, the District has retained Fieldman, Rolapp & Associates, Inc. dba Applied Best Practices 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.

Possible Limitations on Remedies; Bankruptcy

General. Following is a discussion of certain considerations in the event that the District should become a debtor in a bankruptcy proceeding. It is not an exhaustive discussion of the potential application of bankruptcy law to the District. The discussion is based on the United States Bankruptcy Code (the "Bankruptcy Code") as now in effect and the few relevant judicial decisions to date. The Bankruptcy Code could be amended or construed differently in future judicial decisions (including as a result of possible future decisions in the pending analogous insolvency proceedings for the Commonwealth of Puerto Rico). Any such action could affect the possible application of bankruptcy law to the District.

State law contains a number of safeguards to protect the financial solvency of school districts. See "APPENDIX A – FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT - Significant Accounting Policies and Audited Financial Statements." If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent of Public Instruction (the "State Superintendent"), operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the Bankruptcy Code on behalf of the District for the adjustment of its debts, assuming that the District meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. Under current State law, the District is not itself authorized to file a bankruptcy proceeding, and it is not subject to an involuntary bankruptcy proceeding.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, bondholders may be prohibited from taking any action to collect any amount from the District (including ad valorem tax revenues) or to enforce any obligation of the District, without the bankruptcy court's permission, except possibly as described below in the case of pledged "special revenues." In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, including the obligation of the County and the District to raise taxes if necessary to pay the Bonds, if the bankruptcy court determines that the plan is fair, equitable, not unfairly discriminatory to creditors as a whole, is in the best interests of creditors and otherwise complies with the Bankruptcy Code. There also may be other possible effects of a District bankruptcy proceeding that could result in delays or reductions in payments on the Bonds. Regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Limitations on Plans of Adjustments. Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a political subdivision of the state in the exercise of its political or governmental powers, including expenditures for the exercise. In addition, Chapter 9 prevents a bankruptcy court from interfering with the political or governmental powers of a political subdivision debtor, any of its property or revenues or the use or enjoyment of its income producing property, unless the political subdivision debtor confirms a plan of adjustment to that effect or consents to that action. State law provides that ad valorem taxes may be levied to pay the principal of and interest on the Bonds and other voted general obligation bonds of the District in an unlimited amount, and that proceeds of such a levy must be used for the payment of principal of and interest on the District's general obligation bonds, including the Bonds, and for no other purpose. Under State law, the District's share of the 1% limited tax imposed by the County is the only ad valorem tax revenue that may be raised and expended to pay liabilities and expenses of the District other than its voter-approved debt, such as its general obligation bonds. If the District should become a debtor in a Chapter 9 proceeding, then it must propose a plan of adjustment of its debts. The plan may not become effective until confirmed by the bankruptcy court.

The court may not confirm a plan unless it finds, among other conditions, that the District is not prohibited by law from taking any action necessary to carry out the plan, and that the plan is fair, equitable, does not unfairly discriminate among creditors as a whole, is in the best interests of creditors, and is feasible. If the State law restriction on the levy and expenditure of ad valorem taxes is respected in a bankruptcy case, then ad valorem tax revenue levied by the County for prepayment of the Bonds could not be used by the District for any purpose under its plan other than to make payments on the Bonds and its other voted general obligation bonds. It is possible, however, that a bankruptcy court could conclude that the restriction is not required to be respected in a confirmed plan.

Statutory Lien. Pursuant to Senate Bill 222 (2015) ("SB 222") that became effective on January 1, 2016, all general obligation bonds issued by local agencies, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the ad valorem taxes. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are issued. As a result, the lien on debt service taxes will continue to be valid with respect to post-petition receipts of debt service taxes, should the District become a Chapter 9 debtor. The automatic stay provisions of the Bankruptcy Code would apply, however, thereby preventing bondholders from enforcing their rights to payment from such taxes (with the result that any payments becoming due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed), except as described under "--Special Revenues" below. It is also possible that the bankruptcy court could approve an alternate use of such taxes, if the bondholders are afforded protection that the court determines to be adequate.

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application by the County (or others with possession) of pledged ad valorem tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay, and bondholders may be able to compel their immediate use to pay debt service, subject to the matters discussed below, including a recent decision by the United States Court of Appeals for the First Circuit.

"Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically pledged the ad valorem taxes for payment of the Bonds. The Bonds and the District's other general obligation bonds were approved at elections held on propositions that described the projects for which such bonds may be issued. As noted above, State law prohibits the use of the proceeds of the District's debt service tax for any purpose other than payment of its general obligation bonds, and the bond proceeds may only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of ad valorem tax revenues collected for the payment of general obligation bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, bondholders may not be able to compel that they be used to pay debt service during the pendency of a Chapter 9 proceeding. While the application of special revenues is exempt from the automatic stay by Section 922(d) of the Bankruptcy Code, the United States Court of Appeals for the First Circuit has interpreted that section to exempt only voluntary applications by the debtor and voluntary applications by creditors or others of property in their possession, and not to exempt actions by creditors to compel an application by others, and has held that a bankruptcy court lacks authority to compel the application of special revenues. *In re: The Financial Oversight and Management Board for Puerto Rico*, 919 F.3d 121 (1st Cir. 2019). The U.S. Supreme Court declined to review the First Circuit decision. If the First Circuit's interpretation is upheld and applied by courts in the Ninth Circuit and the State Superintendent (or State-appointed administrator) were to file a petition to initiate a Chapter 9 proceeding in respect of the District, the bondholders would be stayed from seeking to compel the application of pledged ad valorem taxes to pay debt service on the Bonds during the pendency of the proceeding (in either federal or state court), if the County failed to do so as required by State law or was instructed not to do so by the District, which would leave bondholders with only state court remedies. Accordingly, even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues," a Chapter 9 proceeding could result in a substantial delay in the payment of debt service, if the County failed to apply pledged ad valorem taxes to pay debt service on the Bonds.

In addition, the Bankruptcy Code provides that any consensual lien on special revenues "derived" from a project or system is subject to necessary operating expenses of the project or system. This rule applies regardless of the provisions of transaction documents. If a bankruptcy court were to conclude that the District's tax collections are "derived" from a District project or system, then even if pledged *ad valorem* tax revenues are determined to be "special revenues," the court could determine that such revenues may not be ordered (by itself or a state court) to pay debt service to the extent that they are needed to pay necessary operating expenses of the District and its schools and may lawfully be applied for that purpose.

Possession of Tax Revenues; Remedies. If the County or the District goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County or the District, as applicable, does not voluntarily pay such tax revenues to the owners of the Bonds, it is not clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

Amounts Held in County Treasury Pool. The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's Treasury Pool, as described in "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" and "APPENDIX F – THE MARIN COUNTY INVESTMENT POOL." Should those investments suffer losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified. The proposed form of opinion of Bond Counsel, attached hereto as APPENDIX B, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights.

UNDERWRITING

Raymond James & Associates, Inc., as underwriter (the "Underwriter") has agreed to purchase the Series A Bonds from the District at the purchase price of $8,858,721.60 (being the aggregate principal amount of the Series A Bonds, $7,725,000.00, plus premium of $1,156,510.35, less Underwriter's discount of $22,788.75), at the rates and yields shown on the inside cover pages hereof.

The Forward Delivery Bonds Purchase Agreement for the Series A Bonds provides that the Underwriter will purchase all of the Series A Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions. See also " INTRODUCTION – Certain Considerations Regarding Forward Delivery of the Series A Bonds" herein.

The Underwriter has agreed to purchase the Series B Bonds from the District at the purchase price of $39,567,929.25 (being the aggregate principal amount of the Series B Bonds, $39,685,000.00, less Underwriter's discount of $117,070.75), at the rates and yields shown on the inside cover pages hereof.

The Bond Purchase Agreement for the Series B Bonds provides that the Underwriter will purchase all of the Series B Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover pages. The offering prices may be changed from time to time by the Underwriter.

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc. ("Fieldman, Rolapp & Associates") is employed as Municipal Advisor to the District in connection with the issuance of the Bonds. The Municipal Advisor's compensation for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Fieldman, Rolapp & Associates, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstance of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

NO LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue the Bonds.

OTHER INFORMATION

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Resolution are available upon request from the Larkspur-Corte Madera School District, 230 Doherty Drive, Larkspur, California 94939, Attention: Chief Business Official. Fees may be imposed for copying, if applicable.

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

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

LARKSPUR-CORTE MADERA SCHOOL DISTRICT

By: /s/ Dr. Brett Geithman
Superintendent

APPENDIX A

FINANCIAL AND DEMOGRAPHIC INFORMATION
RELATING TO THE DISTRICT

This Appendix A provides information concerning the operations and finances of the Larkspur-Corte Madera School District (the "District"). The Bonds are general obligation bonds of the District, secured and payable from ad valorem property taxes assessed on taxable properties within the District. The Bonds are not an obligation of the County of Marin (the "County"), the State of California or any of its other political subdivisions or of the general fund of the District. Prospective purchasers of the Bonds should be aware that the following discussion of the financial condition of the District, its fund balances, budgets and obligations, is intended as general information only, and no implication is made that the payment of principal of or interest on the Bonds is dependent in any way upon the District's financial condition. The District neither receives nor accounts for ad valorem tax revenues collected by the County to pay debt service on the Bonds (or its other general obligation bonds) in the following tables or in its annual financial statements. Pursuant to Section 15251 of the California Education Code, all tax revenues collected for payment of debt service on the Bonds must be deposited into the debt service fund of the District. The Bonds are and will continue to be payable solely from ad valorem taxes levied and collected by the County within the boundaries of the District. See the body of this Official Statement under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." The historical data and results presented in the tables that follow may differ materially from future results as a result of economic or other factors, including as a result of the impact of COVID-19. For more information on the impact of the COVID-19 pandemic, see "INTRODUCTION—COVID-19 Pandemic."

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of the most recent and subsequent audited financial statements of the District may be obtained by contacting: Larkspur-Corte Madera School District, 230 Doherty Drive, Larkspur, California 94939, Attention: Chief Business Official. Fees may be imposed for copying, if applicable.

THE DISTRICT

District Organization

The District is governed by a five member Board of Trustees, whose members are elected at large to four-year terms. The members of the District Board elect a president each year. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-today District operations as well as the supervision of the District's other personnel.

The District is governed by a five member Board of Trustees, whose members are elected at large to four-year terms. The members of the District Board elect a president each year.

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Key Personnel

The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board.

Brief biographies of the Superintendent and the Chief Business Official follow:

Dr. Brett Geithman, Superintendent. Brett Geithman, PhD, took office as Superintendent in 2017. He served as the Assistant Superintendent of Educational Services from 2014-2017 and Executive Director of Human Resources from 2013-2014 for the Manhattan Beach Unified School District. From 2008 to 2013 he was a Long Beach Unified School District elementary school principal. Dr. Geithman is an Association of California School Administrators certified leadership coach and has developed and facilitated educator professional development workshops for schools and districts throughout the country on workshop teaching, leadership, technology, personalized learning, and sustaining the Cotsen fellowship. Additionally, he was an adjunct professor at California State University, Long Beach in the Doctor of Education and Master's in Educational Administration programs, as well as the University of Southern California's Master of Arts in Teaching program. In 2009, he earned his doctorate from the University of Southern California where his dissertation focused on growth models to determine teacher and school effectiveness. From 2006 to 2008 he was the Assistant Principal at an elementary school in Los Alamitos Unified School District. Prior to becoming an administrator he was a Long Beach Unified School District elementary teacher and also taught at the secondary level in alternative settings.

Paula Rigney, Chief Business Official.

Paula Rigney, took office as Chief Business Official of the District in 2016. She served as the Business Manager and Chief Business Official for the Sausalito Marin City School District from 2011-2016 and also for the Bolinas-Stinson Union School District from 2012-2013 (under a shared business services arrangement). From 2001-2011, Ms. Rigney was the Coordinator of Budgeting and Facilities Planning for the Greenfield Union School District. She was a Facilities and Property Management Assistant for the Kern County Superintendent of Schools from 1998-2001.

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District Enrollment

Student average daily attendance figures for the programs operated by the District for the past five fiscal years as well as a projection for fiscal year 2020-21 are shown below:

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Average Daily Attendance

Fiscal Year	Average Daily Attendance
2015-16	1,492.00
2016-17	1,493.00
2017-18	1,488.40
2018-19	1,487.50
2019-20	1,480.74
2020-21[1]	1,483.37

[1] Projected.
Source: The District.

School District Budgeting Process

State law requires school districts to maintain a balanced budget in each Fiscal Year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must file with the county superintendent of schools a tentative budget by July 1 in each Fiscal Year and an adopted budget by September 8 of each Fiscal Year. After approval of the adopted budget, the school district's administration may submit budget revisions for governing board approval.

School districts in California must also conduct a review of their budgets according to certain standards and criteria established by the State Department of Education. A written explanation must be provided for any element in the budget that does not meet the established standards and criteria. The district superintendent or designee must certify that such a review has been conducted and the certification, together with the budget review checklist and a written narrative, must accompany the budget when it is submitted to the governing board for approval. The balanced budget requirement makes appropriations reductions necessary to offset any revenue shortfalls.

Furthermore, county superintendent of schools offices (each, a "COE") are required to review district budgets, complete the budget review checklist and conduct an analysis of any budget item that does not meet the established standards. A copy of the completed checklist, together with any comments or recommendations, must be provided to the district and its governing board by November 1. By November 30, every district must have an adopted and approved budget, or the county superintendent of schools will impose one.

Significant Accounting Policies and Audited Financial Statements

The California State Department of Education imposes by law uniform financial reporting and budgeting requirements for K-12 school districts. Financial transactions are accounted for in accordance with the California School Accounting Manual.

California Assembly Bill 1200 ("A.B. 1200"), effective January 1, 1992, tightened the budget development process and interim financial reporting for school districts, enhancing the authority of the county schools superintendents' offices and establishing guidelines for emergency State aid apportionments. Many provisions affect District operations directly, while others create a foundation from which outside authorities (primarily state and county school officials) may impose actions on the District. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. Each certification is based on then current projections. The District currently holds a positive certification from the Marin County Office of Education for its budget submissions. The District has not received a qualified or negative certification in any of the last five years.

Independently audited financial reports are prepared annually in conformity with generally accepted accounting principles for educational institutions.

The District considers its audited financial statements to be public information, and accordingly, no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit in this Official Statement.

Copies of the District's reports and certifications, as well as audited financial statements, may be obtained upon request from the Larkspur-Corte Madera School District, 230 Doherty Drive, Larkspur, California 94939, Attention: Chief Business Official. A fee may be imposed for copying.

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District General Fund

The District's General Fund finances the legally authorized activities of the District for which restricted funds are not provided. General Fund revenues are derived from such sources as State fund apportionments, taxes, use of money and property, and aid from other governmental agencies.

The following tables contain accounting data (budgetary basis) abstracted from financial statements prepared by the District's independent auditors for the fiscal years 2017-18 through 2019-20 and original budget information for fiscal years 2017-18 through 2019-20 and the revised final budget as of September 2020 for fiscal year 2021-22.

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LARKSPUR-CORTE MADERA SCHOOL DISTRICT
SCHEDULE OF GENERAL FUND BUDGETS (Fiscal Years 2017-18 through 2020-21) AND
SCHEDULE OF REVENUES AND EXPENDITURES FOR THE GENERAL FUND (Fiscal Years 2017-18 through 2019-20)

	Adopted Budget Fiscal Year 2017-18	Actual Fiscal Year 2017-18	Adopted Budget Fiscal Year 2018-19	Actual Fiscal Year 2018-19	Adopted Budget Fiscal Year 2019-20	Actual Fiscal Year 2019-20	Adopted Budget Fiscal Year 2020-21
REVENUES							
Local Control Funding Formula sources	$11,455,840	$11,745,458	$12,174,801	$12,132,982	$12,766,166	$12,541,267	$12,691,600
Federal sources	363,226	406,684	341,390	317,180	292,224	350,419	354,102
Other State sources	1,204,057	1,534,398	1,717,362	2,412,796	1,274,634	1,796,825	1,278,219
Other Local sources	5,646,510	5,776,482	6,056,419	6,304,287	6,407,330	6,480,859	6,289,338
TOTAL REVENUES	18,669,633	19,463,022	20,289,972	21,167,245	20,740,354	21,169,370	20,613,259
EXPENDITURES							
Certificated Salaries	9,498,657	9,624,570	9,736,264	9,966,151	9,698,952	9,734,759	9,634,496
Classified Salaries	2,647,697	2,746,487	2,924,916	2,905,226	2,698,820	2,480,656	2,537,019
Employee Benefits	4,324,545	4,439,604	4,892,647	5,584,330	5,308,240	5,313,625	5,374,888
Books and Supplies	384,021	579,561	602,877	500,243	433,589	425,060	475,571
Services and Other Operating Expenditures	1,930,295	2,275,961	2,035,509	2,102,113	2,132,040	2,009,481	1,976,122
Capital Outlay	-	-	-	-	-	-	-
Other Outgo	242,882	271,651	320,734	184,991	176,201	239,581	333,991
Debt Service	28,200	29,698	-	-	-	-	-
TOTAL EXPENDITURES	19,056,297	19,967,532	20,512,947	21,243,054	20,447,822	20,203,162	20,332,087
Excess (deficiencies) of revenues over Expenditures before other financing sources and Uses	(386,664)	(504,510)	(222,965)	(75,809)	292,632	966,208	281,171
INTERFUND TRANSFERS IN/(OUT)	(96,994)	(171,513)	(23,345)	(77,000)	-	-	-
Net change in fund balance	(483,658)	(676,023)	(246,320)	(152,809)	292,632	966,208	281,172
FUND BALANCES, JULY 1	2,336,710	2,336,710	1,660,687	1,660,687	1,507,878	1,507,878	2,474,086
FUND BALANCES, JUNE 30	$1,853,052	$1,660,687	$1,414,367	$1,507,878	$1,800,510	$2,474,086	$2,755,258

Source: The District.

State apportionments for Proposition 98 funding through the Local Control Funding Formula ("LCFF") are the largest sources revenue to the District's General Fund (about 59% for fiscal year 2019-20). See "FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA - Major Revenues - Local Control Funding Formula" herein. The District received other State revenues that comprise about 8% of the District's General Fund revenues for fiscal year 2019-20. A significant portion of such other State revenues are amounts the District expects to receive from State lottery funds, which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total average daily attendance.

The District receives local revenues from items such as a parcel tax, leases and rentals, special education support and other local sources. Other local sources comprised approximately 31% of general fund revenues in fiscal year 2019-20. See "FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – Parcel Tax" below.

Based on the assumptions used for its 2020-21 budget, the District projects that the District will be basic-aid funded for fiscal years 2020-21 through 2021-22.

Long-Term Obligations

Following is a summary of the District's outstanding long-term obligations as of June 30, 2020:

	Balance as of June 30, 2020
General Obligation Bonds	$61,778,180
Compensated absences	102,661
Early retirement incentives	604,993
Other post-employment benefits	228,409
Total	$62,714,243

Source: The District.

District Employees

There are two formal bargaining units operating in the District which are described in the table below.

Labor Organization	Contract Expiration
Larkspur-Corte Madera School Educators Association	June 30, 2021
California School Employees Association	June 30, 2019

Qualified District employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS).

Insurance

The District participates in a joint venture under a joint powers agreement with the Marin Schools Insurance Authority (the "MSIA"). The MSIA arranges for and provides workers' compensation, property and liability and health insurance for its member school districts. The relationship between the District and the MSIA is such that the MSIA is not a component unit of the District for financial reporting purposes and as such is not included in the District's financial statement.

The District currently participates in the MSIA's workers' compensation coverage, with excess coverage provided by the Schools Excess Liability public entity risk pool. The District participates in the MSIA public entity risk pool for various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters, as well as property and liability coverage.

The District provides employee medical, dental and basic life insurance benefits through the Self-Insured Schools of California public entity risk pool.

The District has budgeting and financial reporting requirements independent of member units of the MSIA and their financial statements are not presented in the District's audited financial statements. Fund transactions between the District and the MSIA are included in the District financial statements. Audited financial statements are available from the respective entities. See APPENDIX C – "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020" hereto.

Based upon prior claims experience, the District believes it has adequate insurance coverage through the MSIA and SISC.

Retirement Systems

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

For the fiscal year ended June 30, 2020, the District reported the net pension liabilities, deferred outflows of resources, deferred inflows of resources and pension expense for each of the plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
STRS	$16,006,860	$4,054,685	$1,949,502	$2,065,718
PERS	6,028,941	1,765,834	169,422	1,352,207
Total	$22,035,801	$5,820,519	$2,118,924	$3,417,925

Source: The District.

STRS. The District participates in the State Teachers' Retirement System. STRS is a defined benefit plan that covers all full-time certificated employees and some classified employees, which are employees employed in a position that does not require a teaching credential from the State. 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 are established by State legislation in accordance with the State Teachers' Retirement Law. STRS is operated on a Statewide basis and, based on publicly available information, has substantial unfunded liabilities. Additional funding of STRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282.

As part of the 2014-15 State Budget, the Legislature enacted AB 1469 (Chapter 47, Statutes of 2014) ("AB 1469"), a comprehensive funding solution intended to eliminate the projected STRS unfunded liability on the STRS Defined Benefit Program by 2046. Under AB 1469, the funding plan began in Fiscal Year 2014-15 and will be phased in over several years. The employer contribution rate increased by 1.85% of covered payroll annually beginning July 1, 2015 and will continue to increase until the employer contribution rate is 19.10% of covered payroll. Beginning in Fiscal Year 2021-22 through Fiscal Year 2045-46, AB 1469 authorizes the STRS Board to adjust the employer contribution up or down 1 percentage point each year, but no higher than 20.25% total and no lower than 8.25%, to eliminate the remaining unfunded obligation that existed on July 1, 2014.

In addition, the STRS Board is authorized to modify the percentages paid by employers and employees for Fiscal Year 2021-22 and each fiscal year thereafter in order to eliminate STRS' unfunded liability by June 30, 2046 based upon actuarial recommendations. The STRS Board would also have the authority to reduce employer and State contributions if they are no longer necessary.

The actuarial assumptions and methods adopted by the STRS Board for funding the STRS Defined Benefit Program include: the "Entry Age Normal Cost Method", with the actuarial gains/losses and the unfunded actuarial obligation amortized over a closed period ending June 30, 2046, an assumed 7.25% investment rate of return (net of investment and administrative expenses) for Fiscal Year 2015-16 and a 7.00% investment rate of return (net of investment and administrative expenses) for Fiscal Year 2016-17, an assumed 3.00% interest on member accounts (based on the STRS Board's short-term interest crediting policy), projected 3.50% general wage growth, of which 2.75% is due to inflation and 0.75% is due to expected gains in productivity, and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases.

In May 2019, STRS released an update on the financial position of the pension system, including estimates of the unfunded liability and contribution rates required for districts, employees and the State.

The May funding update reflected an estimated unfunded liability of $107.2 billion for the valuation period ending June 30, 2018.

Pursuant to Assembly Bill 1469, K-14 school districts' contribution rates will increase in accordance with the following schedule:

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

Effective Date [(1)]	K-14 School District Employer Contributions
July 1, 2017	14.43%
July 1, 2018	16.28
July 1, 2019	17.10
July 1, 2020	16.15

[(1)] The State's 2020-21 State Budget redirected funds paid to STRS towards long-term unfunded liabilities to instead further reduce employer contribution rates in fiscal years 2020-21 and 2021-22. This reallocation will reduce the STRS employer contribution rates to about 16.15% in fiscal year 2020-21 and to about 16.02% in fiscal year 2021-22. See "FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – State Budget – 2020-21 State Budget" and " – Governor's Proposed 2021-22 State Budget."
Source: STRS and California Assembly Bill 1469

Based on the multi-year STRS Experience Analysis (spanning from July 1, 2015, through June 30, 2018) (the "2020 Experience Analysis"), on January 31, 2020, the STRS Board adopted a new set of actuarial assumptions that were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2019 (the "2019 STRS Actuarial Valuation"). While no changes were made to the actuarial assumptions discussed above, which were established as a result of the 2017 Experience Study, certain demographic changes were made, including: (i) lowering the termination rates to reflect a continued trend of lower than expected teachers leaving their employment prior to retirement, and (ii) adopting changes to the retirement rates for both employees hire before the Implementation Date and after the Implementation Date to better reflect the anticipated impact of years of service on retirements. The 2019 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on salary increases less than assumed, additional State contributions and actuarial asset gains recognized from the current and prior years, the 2019 STRS Program Actuarial Valuation reports that the unfunded actuarial obligation decreased by $1.5 billion since the 2018 Actuarial Valuation and the funded ratio increased by 2.0% to 66.0% over such time period.

According to the 2019 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.9%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990. AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption and includes the $1.117 billion State contribution made in July 2019 pursuant to SB 90.

The actuary for the STRS Defined Benefit Program notes in the 2019 STRS Actuarial Report that, since such report is dated as of June 30, 2019, the significant declines in the investment markets that have occurred in the first half the 2020 calendar year are not directly reflected in the 2019 STRS Actuarial Report. The actuary notes that such declines will almost certainly impact the future of the STRS Defined Benefit Program funding, and that, all things being equal, it is expected that the actuarial valuation for the fiscal year ending June 30, 2020 will show a greater increase in the projected State contribution rate (and possibly the employer rate) and a possible decline in the funded ratio.

To provide local educational agencies with increased fiscal relief, the 2020-21 State Budget redirects the $2.3 billion appropriated in the 2019 Budget Act to STRS and PERS for long-term unfunded liabilities to further reduce employer contribution rates in Fiscal Years 2020-21 and 2021-22. See "FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – State Budget - *2020-21 State Budget*" herein.

The District's employer contributions to STRS for fiscal years ended June 30, 2016 through June 30, 2020 are set forth in the table below, and equal 100 percent of the required contributions for each year. See APPENDIX C – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020 for additional information.

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
STRS CONTRIBUTIONS

Fiscal Years Ended June 30	District Employer Contributions
2016	$ 944,089
2017	1,142,239
2018	1,229,854
2019	1,559,229
2020	1,421,176

Source: The District

PERS. The District also participates in the State Public Employees' Retirement System ("PERS"). PERS is a defined benefit plan that covers classified personnel who work four or more hours per day. Benefit provisions are established by State legislation in accordance with the Public Employees' Retirement Law. The contribution requirements of the plan members are established by State statute. The actuarial methods and assumptions used for determining the rates are based on those adopted by Board of Administration of PERS (the "PERS Board").

Active plan miscellaneous members hired on or before December 31, 2012 are required to contribute 7.0% of their monthly salary and those hired on or after January 1, 2013 are required to contribute 6.5% of their monthly salary. The required contribution rate is the difference between the actuarially determined rate and the contribution rate of employees. The actuarial methods and assumptions used for determining the rates are based on those adopted by PERS Board. School districts are currently required to contribute to PERS at an actuarially determined rate, which was 11.847%, 13.888% and 15.531% of eligible salary expenditures for fiscal years 2015-16, 2016-17 and 2017-18, respectively, and 18.062% of eligible salary expenditures for fiscal year 2018-19 and 19.721% of eligible salary for fiscal year 2019-20.

On April 17, 2019, the PERS Board established the employer contribution rates and released certain information from the PERS Schools Pool Actuarial Valuation as of June 30, 2018 (the "2018 PERS Schools Pool Actuarial Valuation"). The actuarial funding method used in the 2018 PERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method." The 2018 PERS Schools Pool Actuarial Valuation assumes, among other things, 2.625% inflation and payroll growth of 2.875% compounded annually. The 2018 PERS Schools Pool Actuarial Valuation reflects a discount rate of 7.25% compounded annually (net of administrative expenses) as of June 30, 2018 and 7.00% compounded annually (net of administrative expenses) as of June 30, 2019. The PERS Board adopted new demographic assumptions on December 19, 2017, including a reduction in the inflation assumption from 2.625% as of June 30, 2018 to 2.50% as of June 30, 2019. The reduction in the inflation assumption results in decreases in both the normal cost and the accrued liabilities in the future. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, the addition of $904 million contributed by the State in July 2019, along with expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to January 1, 2013, to those hired after such date, the projected employer contribution (as a percentage of payroll) is 22.8% and 24.9% for fiscal year 2020-21 and fiscal year 2021-22, respectively. According to the PERS Schools Actuarial Valuation as of June 30, 2018, the funded ratio as of June 30, 2018 is approximately 70.4% on a market value of assets basis, as compared to the funded ratio of 72.1% reported in the Actuarial Valuation as of June 30, 2017. The funded ratio, on a market value basis, as of June 30, 2016, June 30, 2015, June 30, 2014, June 30, 2013 and June 30, 2012 was 71.9%, 77.5%, 86.6%, 80.5%, and 75.5%. On December 21, 2016, the PERS Board voted to lower the PERS discount rate to 7.0% over the next three years in accordance with the following schedule: 7.375% in Fiscal Year 2017-18, 7.25% in Fiscal Year 2018-19 and 7.00% in Fiscal Year 2019-20. The discount rates went into effect July 1, 2017 for the State and went into effect July 1, 2018 for K-14 school districts and other public agencies.

On June 27, 2019, PERS informed school employers that the employer and employee pension contribution rates approved by the PERS Board of Administration on April 17, 2019 were modified by Senate Bill 90 and codified at California Government Code Section 20825.2. The employer contribution rate for Fiscal Year 2019-20 would be 19.721%, representing a reduction of 1.012% in the employer contribution rate from the 20.733% adopted by the PERS Board on April 17, 2019. The employer contribution rate of 19.721% for fiscal year 2019-20 was the first fiscal year that employer contributions were impacted by demographic assumptions adopted by the PERS Board in December 2017. The 19.721% contribution rate became effective with the first payroll period beginning July 2019. The employer contribution rate for fiscal year 2020-21 will be 22.68%, which reflects an initial actuarially determined rate of 23.35% that has been reduced by 0.67% pursuant to Senate Bill 90. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2019-20 and will be 7% of such salaries in fiscal year 2020-21, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2019-20 and will be 7% in fiscal year 2020-21. The Fiscal Year 2020-21 State Budget redirects State funding paid to PERS in fiscal year 2019-20 towards long-term unfunded liabilities to further reduce employer contribution rates in fiscal years 2020-21 and 2021-22. As a result, the PERS employer contribution rate will be reduced to 20.7% in fiscal year 2020-21 and to 22.84% in fiscal year 2021-22.

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

The District's employer contribution to PERS for fiscal years ended June 30, 2016 through June 30, 2020 are set forth in the table below, and equal 100 percent of the required contributions for each year. See APPENDIX C – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020 for additional information.

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
PERS CONTRIBUTIONS

Fiscal Years Ended June 30	District Employer Contributions
2016	$270,518
2017	335,773
2018	423,393
2019	515,998
2020	705,761

Source: The District

Both PERS and STRS are operated on a Statewide basis and, based on available information, both PERS and STRS have unfunded actuarial accrued liabilities. (Additional funding of STRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282.) The amounts of the pension/award benefit obligation (PERS) or actuarially accrued liability (STRS) will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution. See "State Pension Trusts" below. The District is unable to predict what the amount of liabilities will be in the future, or the amount of the contributions which the District may be required to make.

California Public Employees' Pension Reform Act of 2013. The Governor signed the California Public Employee's Pension Reform Act of 2013 (the "Reform Act") into law on September 12, 2012. The Reform Act affects both STRS and PERS, most substantially as they relate to new employees hired after January 1, 2013 (the "Implementation Date"). As it pertains to STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age, increasing the eligibility for the 2% "age factor" (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety 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 also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

The Reform Act also implements certain other changes to PERS and STRS including the following: (a) all new participants enrolled in PERS and STRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) STRS and PERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for STRS members who retire with 25 years of service), and (c) "pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for STRS and PERS members not participating in social security.

On April 17, 2013 the PERS Board of Administration (the "PERS Board") approved new actuarial policies aimed to fully fund the pension system's obligations within 30 years. The new policies included 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 in respect of the State, K-14 school district and all other public agencies in Fiscal Year 2015-16.

In 2014, PERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014, the PERS Board adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long-term blended return that continues to support a discount rate assumption of 7.5 percent. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS discount rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS discount rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS discount rate to 7.0% over the next three years in accordance with the following schedule: 7.375% in fiscal year 2017-18, 7.25% in fiscal year 2018-19 and 7.00% in fiscal year 2019-20. The new discount rate will go into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS discount rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act will also see their contribution rates rise. The three-year reduction of the discount rate to 7.0% is expected to result in average employer rate increases of approximately 1-3% of normal cost as a percent of payroll for most miscellaneous retirement plans and a 2-5% increase for most safety plans. The PERS Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these changes is the inclusion of mortality improvement to acknowledge the greater life expectancies among PERS membership and expected continued improvements.

Pursuant to the PERS Board's decision in February 2014, the new actuarial assumptions will be incorporated in the June 30, 2015 valuation for the schools portion of the PERS pool (the "School's Pool"). The increase in liability due to the new actuarial assumptions will be amortized over 20 years and phased in over 5 years in accordance with PERS Board policy, beginning with the contribution requirement for fiscal year 2016-17. The projected impact of the assumption change on the Schools Pool rate is estimated to be an increase of 1.6 percent of payroll in 2016-17 with approximate annual increases of 0.8 percent of payroll in each of the next 4 years with an estimated total increase of 4.8 percent of payroll by 2020-21.

In February 2018, the PERS Board voted to shorten the period over which PERS amortized actuarial gains and losses from 30 years to 20 years for new pension liabilities, effective for the June 30, 2019 actuarial valuations. Amortization payments for all unfunded accrued liability bases will be computed to remain at a level dollar amount throughout the amortization period, and certain 5-year ramp-up and ramp-down periods will be eliminated. As a result of the shorter amortization period, the contribution required to be made by employers may increase beginning in fiscal year 2020-21.

In February 2017, the STRS Board voted to adopt revised actuarial assumptions to reflect the increasing life expectancies of its members and the then-current economic trends. The revisions to the actuarial assumptions included changes to the generational mortality methodology that reflect prior improvements in life expectancies and more dynamic assessments of future life spans. In addition, the STRS Board determined to decrease the investment return assumption over a two-year period as follows: (i) a decrease from 7.50% to 7.25% for the June 30, 2016 actuarial valuation that is to be presented to the STRS Board in April 2017 and (ii) a decrease from 7.25% to 7.00% for the June 30, 2017 actuarial valuation to be presented to the STRS Board at the April/May 2018 meeting. The changes reflect the less than 50% probability that the then-current return assumptions would be met over the long term. The STRS Board also decreased some of the economic-related assumptions to reflect continued trends. As a result, the wage-growth assumption was reduced to 3.50% from 3.75% while the price inflation factor was also reduced to 2.75% from 3.00%.

State Pension Trusts

The following information on the State Pension Trusts has been obtained from publicly available sources and has not been independently verified by the District, is not guaranteed as to the accuracy or completeness of the information and is not to be construed as a representation by the District or the Underwriter. Furthermore, the summary data below should not be read as current or definitive, as recent losses on investments made by the retirement systems generally may have increased the unfunded actuarial accrued liabilities stated below.

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 PERS Schools Pool had an unfunded liability, based on the market value of assets, of $31.4 billion as of June 30, 2019, and STRS had unfunded actuarial liabilities of $105.7 billion as of June 30, 2019. The amount of unfunded actuarially accrued liability will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution.

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

GASB Statement Nos. 67 and 68

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

For more information, see the fiscal year 2019-20 audited financial statements of the District included in Appendix C hereto.

Post-Employment Benefits

In June 2015, GASB issued Statement Nos. 74 and 75, respectively, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pension Plans and Pensions, respectively*. The objectives of these statements are to (i) improve the usefulness of information related to postemployment benefits other than pensions (other postemployment benefits or "OPEB") included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability and (ii) improve accounting and financial reporting by State and local governments for OPEB, respectively.

District OPEB Plan. The District administers a single-employer defined benefit other postemployment benefit (OPEB) plan (the "District OPEB Plan") that provides a contribution toward the cost of medical, dental and vision insurance benefits to eligible retirees and their spouses. Membership in the District OPEB Plan consisted of nine retirees and beneficiaries receiving benefits and nine active plan members as of the June 30, 2020.

Certificated employees who were hired on or before June 30, 2000, and retire from the District with a STRS pension are eligible to receive District paid retiree health and welfare benefits. Certificated employees who were hired before November 1, 1995 must have 10 years of service with the District upon retirement to be eligible for District paid benefits. Certificated employees who were hired between November 1, 1995, and June 30, 2000 must have 15 years of service with the District upon retirement to be eligible for District paid benefits. Certificated employees who were hired on or after July 1, 2000, are not eligible for District paid benefits.

For certificated retirees hired on or before October 31, 1979, the District pays $3,000 per year towards the cost of health coverage for 10 years from the date of retirement. For Certificated retirees hired after October 31, 1979, and before November 1, 1989, the District pays $3,000 per year towards the cost of health coverage for 10 years or until age 65, whichever is earlier. For Certificated retirees hired after October 31, 1989, and before July 1, 2000, the District pays $3,000 per year towards the cost of health coverage for 5 years or until age 65, whichever is earlier.

For classified retirees hired before July 1, 2001, the District pays $3,000 per year toward the cost of health coverage for 10 years or until age 65, whichever is earlier.

Retirees may enroll their dependents in the District's health and welfare plan at the retiree's own expense.

As of June 30, 2020, the District reported a liability $126,401 for the District OPEB Program.

For additional information, regarding the District OPEB Plan, see the fiscal year 2019-20 audited financial statements of the District included in Appendix C hereto.

Medicare Premium Payment ("MPP") Program. The MPP Program is a cost-sharing multi-employer OPEB plan established pursuant to chapter 1032, Statutes of 2000 (Senate Bill 1435). STRS administers the MPP Program through the Teachers' Health Benefit Fund ("THBF").

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharge for eligible members of the defined benefit program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. The MPP Program is closed to new entrants as members who retire on or after July 1, 2012 are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly employer contributions. In accordance with California Education Code Section 25930, contributions that would otherwise be credited to the defined benefit program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

As of June 30, 2020, the District reported a liability of $102,008 for its proportionate share of the net OPEB liability for the MPP Program.

For additional information, regarding the MPP Program, see the fiscal year 2019-20 audited financial statements of the District included in Appendix C hereto.

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Population

The populations of the City of Larkspur, the Town of Corte-Madera, the County and the State of California during the period from 2016 through 2020 are set forth in the following table.

Population Figures[(1)]
2016 through 2020

Year	City of Larkspur	Town of Corte Madera	County of Marin	State of California
2016	12,494	9,751	263,327	39,131,307
2017	12,460	9,737	263,018	39,398,702
2018	12,387	10,142	262,652	39,586,646
2019	12,331	10,138	262,240	39,695,376
2020	12,253	10,114	260,831	39,782,870

(1) As of January 1 of the respective year.
Source: California State Department of Finance.

Income Levels

Comparative 2021 median household income and effective buying income information for the City of Larkspur, the Town of Corte-Madera, the County, the State of California and the United States.

Income Levels
2021

			Percent of State Median	
	2021 Median Household Income	2021 Median Effective Buying Income	Median Household Income	Median Effective Buying Income
City of Larkspur	$124,637	$94,720	152%	140%
Town of Corte Madera	177,896	130,346	217	193
County of Marin	134,811	101,360	164	150
State of California	82,053	67,510	-	-
United States	67,086	56,093	82	83

Source: Spotlight, United State Bureau of Labor Statistics.

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Employment

The following chart compares labor force, employment, civilian employment and the unemployment rate in the County of Marin, the State of California and the United States during the period from 2016 through 2020. Unemployment rates have substantially increased due to the COVID-19 pandemic.

CITY OF SANTA MONICA, CITY OF MALIBU, COUNTY OF MARIN
STATE OF CALIFORNIA AND UNITED STATES OF AMERICA
LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
Yearly Average for Years 2016 through 2020

Year and Area	Labor Force	Civilian Employment	Civilian Unemployment	Unemployment Rate (%)
2016				
County of Marin	139,600	135,000	4,600	3.3
California	19,021,200	17,980,100	1,041,100	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
2017				
County of Marin	139,800	135,800	4,000	2.9
California	19,176,400	18,257,100	919,300	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
2018				
County of Marin	139,900	136,400	3,400	2.4
California	19,280,800	18,460,700	820,100	4.3
United States	162,075,000	155,761,000	6,314,000	3.9
2019				
County of Marin	140,000	136,800	3,200	2.3
California	19,411,600	18,627,400	784,200	4.0
United States	163,539,000	157,538,000	6,001,000	3.7
2020*				
County of Marin	134,400	128,100	6,300	4.7%
California	18,708,800	16,574,300	2,134,600	11.4
United States	160,838,000	147,288,000	13,550,000	8.4

* 2020 figures as of November 2020.
Source: State of California Employment Development Department; U.S. Department of Labor, Bureau of Labor Statistics.

Principal Employers

The following table lists the top 10 employers in the County.

COUNTY OF MARIN
Principal Employers 2019

Employer	Number of Employees
1. County of Marin	2,317
2. Kaiser Permanente Medical Center	2,014
3. BioMarin	1,765
4. San Quentin State Prison	1,614
5. Marin General Hospita	1,279
6. Glassdoor	875
7. San Rafael City Schools	865
8. Novato Unified School District	800
9. Marin County Office of Education	656
10. Dominican University	421

Source: County Comprehensive Annual Financial Report for fiscal year 2018-19.

District Investments

The Treasurer and Tax Collector (the "Treasurer") of the County manages, in accordance with California Government Code Section 53600 *et seq.*, funds deposited with the Treasurer by County school and community college districts, various special districts, and some cities within the State. State law generally requires that all moneys of the County, school and community college districts and certain special districts be held in the County's Treasury Pool.

The composition and value of investments under management in the Treasury Pool vary from time to time depending on cash flow needs of the County and public agencies invested in the pool, maturity or sale of investments, purchase of new securities, and due to fluctuations in interest rates generally.

For a further discussion of the Pooled Investment Fund, see APPENDIX F – "THE MARIN COUNTY INVESTMENT POOL" hereto.

FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA

Major Revenues

General. The District's operating income consists primarily of two components: a State portion funded from the State's general fund and a locally-generated portion derived from the District's share of the 1% local ad valorem property tax authorized by the State Constitution. School districts may be eligible for other special categorical funding, including for State and federal programs. Accordingly, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may significantly affect District operations.

State funding is guaranteed to a minimum level for school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs under "Proposition 98," a constitutional and statutory initiative amendment adopted by the State's voters in 1988, and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution). See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS - Proposition 98" herein.

The State's Proposition 98 funding mandate normally commands about 45% of all State general fund revenues. Because education funding constitutes such a large part of the State's general fund expenditures, it is at the heart of annual budget negotiations and adjustments.

Adoption of Annual State Budget. According to the State Constitution, the Governor of the State (the "Governor") must propose a budget to the State Legislature no later than January 10 of each year. Under an initiative constitutional amendment approved by the State's voters on November 2, 2010 as "Proposition 25," a final budget must be adopted by a simple majority vote (rather than a two-third majority, as was the case prior to the passage of Proposition 25) of each house of the Legislature no later than June 15, although this deadline has been routinely breached in the past. (Tax increases continue to require a two-thirds majority vote.) The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget.

Prior to the passage of Proposition 25, there were instances where the State Legislature failed to pass a budget in a timely fashion, and the District cannot predict what circumstances may cause a similar failure in future years. In each year where the State budget lags adoption of the District's budget, it will be necessary for the District's staff to review the consequences of the changes, if any, at the State level from the proposals in the Governor's May Revision for that year, and determine whether the District's budget will have to be revised. The District cannot predict the final outcome of State budget negotiations, the impact future State Budgets will have on District finances and operations or what actions the State Legislature and the Governor may take to respond to changing State revenues and expenditures. Current and future State Budgets will be affected by national and State economic conditions and other factors which the District cannot control.

Court Decision on State Payments Pending Budget Adoption. When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each district's State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State Constitution (such as appropriations for salaries of elected state officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. The Controller has posted guidance as to what can and cannot be paid during a budget impasse at its website: www.sco.ca.gov (such website is not incorporated herein by reference). Should the Legislature fail to pass the budget or emergency appropriation before the start of any Fiscal Year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White* decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the Fiscal Year. The District does not expect the *White* decision to have any long-term effect on its operating budgets.

Aggregate State Education Funding. The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given Fiscal Year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as more accurate information regarding the various factors becomes available. The guaranteed amount will generally increase as enrollment and per capita personal income grow.

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

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds one Fiscal Year to the next; by permanently deferring the year-end apportionment from June 30 to July 2; by suspending Proposition 98, and by proposing to amend the Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The District's principal funding formulas and revenue sources are derived from the budget of the State of California. The following information concerning the State of California's budgets has been obtained from publicly available information which the District believes to be reliable; however, the State has not entered into any contractual commitment with the District, the County, the Underwriter, Bond Counsel and Disclosure Counsel nor the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Additional information regarding State budgets is available at various State-maintained websites including www.dof.ca.gov, which website is not incorporated herein by reference.

There can be no assurances that the spread of COVID-19, or the responses thereto by local, State, or the federal government, will not materially adversely impact the local, State and national economies or the assessed valuation of property within the District, or adversely impact enrollment or ADA within the District and, notwithstanding Executive Order N-26-20 and the Stay Home Order, materially adversely impact the financial condition or operations of the District. Accordingly, the District's ADA count and State funding may be affected by the ongoing COVID-19 pandemic. See "INTRODUCTION–COVID-19 Pandemic" in the forepart of this Official Statement.

2020-21 State Budget. On June 29, 2020 Governor Newsom signed into law the Fiscal Year 2020-21 State Budget (the "2020-21 State Budget"), closing a $54.3 billion gap in Fiscal Year 2020-21 and reducing the State's structural deficit, balancing the State's budget by drawing $8.8 billion in reserves from the Rainy Day Fund ($7.8 billion), the Safety Net Reserve ($450 million), and all of the funds in the Public School System Stabilization Account. The 2020-21 State Budget (i) includes $11.1 billion in reductions and deferrals that will be restored if at least $14 billion in federal funds are received by October 15, 2020; (ii) relies on $10.1 billion in federal funds that provide General Fund relief, including $8.1 billion already received; (iii) temporarily suspends the use of net operating losses for medium and large businesses and temporarily limits to $5 million the amount of business incentive credits a taxpayer can use in any given tax year (generating $4.4 billion in additional revenues in Fiscal Year 2020-21); and (iv) relies on $9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 schools.

In addition, the 2020-21 State Budget reflects estimated spending of $5.7 billion to respond directly to the COVID-19 pandemic, including personal protective equipment, hospital surge preparation, and other expenditures to support populations at greater risk of contracting COVID-19. Of the $9.5 billion in Coronavirus Relief Fund received by the State, $4.5 billion is allocated to local school districts, $1.3 billion is allocated to counties, and $500 million to cities. The 2020-21 State Budget also includes $750 million General Fund to provide support for counties experiencing revenue losses due to the pandemic. The 2020-21 State Budget also temporarily suspends for three years net operating loss tax deductions for medium and large businesses and limits business tax credits, with an estimated increase in tax revenues of $4.3 billion in fiscal year 2020-21.

For Fiscal Year 2019-20, the 2020-21 State Budget projects total general fund revenues and transfers of $137.6 billion and authorizes expenditures of $146.9 billion and the State is projected to end Fiscal Year 2019-20 with total available general fund reserves of $17 billion, including $16.1 billion in the Budget Stabilization Account ("BSA") and $900 million in the Safety Net Reserve Fund. For Fiscal Year 2020-21, the 2020-21 State Budget projects total general fund revenues and transfers of $137.7 billion and authorizes expenditures of $133.9 billion. The State is projected to end the Fiscal Year 2020-21 with total available general fund reserves of $11.4 billion, including $2.6 billion in the traditional general fund reserve (of which $716 million is earmarked for COVID-related responses), $8.3 billion in the BSA and $450 million in the Safety Net Reserve Fund.

K-12 Education. The 2020-21 State Budget includes total funding of $98.8 billion ($48.1 billion General Fund and $50.7 billion other funds) for all K-12 education programs and provides for $1.9 billion of LCFF apportionment deferrals in Fiscal Year 2019-20, increasing to $11 billion LCFF apportionment deferrals in Fiscal Year 2020-21 to allow LCFF funding to remain at Fiscal Year 2019-20 levels in both fiscal years. The 2020-21 State Budget suspends the statutory LCFF cost-of-living adjustment in Fiscal Year 2020-21. Of the total LCFF deferrals, $5.8 billion will be triggered off in Fiscal Year 2020-21 if the federal government provides sufficient funding that can be used for this purpose.

Proposition 98 Guarantee. As a result of declining State revenue, the 2020-21 State Budget states that the constitutional Proposition 98 guarantee level of $70.9 billion is more than $10 billion below the minimum guarantee at the 2019 Budget Act, a loss which is offset by the 2020-21 State Budget and defers $12.9 billion in payments to preserve programs and to provide K-12 schools, as well as California community colleges, the resources necessary to safely reopen. In addition, the 2020-21 State Budget commits to making supplemental appropriations above the Proposition 98 guarantee for several years starting in Fiscal Year 2021-22, which will accelerate General Fund support for schools over the multi-year forecast period.

Learning Loss Mitigation (COVID-19). The 2020-21 State Budget includes a one-time investment of $5.3 billion ($4.4 billion federal Coronavirus Relief Fund, $539.9 million Proposition 98

General Fund, and $355.2 million federal Governor's Emergency Education Relief Fund) to LEAs to address learning loss related to COVID-19 school closures, especially for students most heavily impacted by those closures. These funds are to be allocated to LEAs on an equity basis, with an emphasis on ensuring the greatest resources are available to LEAs serving students with the greatest needs, and are intended to track and mitigate the inequitable impact that the COVID-19 pandemic has had on different student populations, including low-income students and students with disabilities. Specifically, funds will be allocated in the following manner: (i) $2.9 billion based on the LCFF supplemental and concentration grant allocation; (ii) $1.5 billion based on number of students with exceptional needs; and (iii) $979.8 million based on total LCFF allocation. These funds may be used for purposes including the following: learning supports that begin prior to the start of the school year, and the continuing intensive instruction and supports into the school year; extending the instructional school year, including an earlier start date, by increasing the number of instructional minutes or days; providing additional academic services for pupils, including diagnostic assessments of student learning needs, intensive instruction for addressing gaps in core academic skills, additional instructional materials or supports, or devices and connectivity for the provision of in-classroom and distance learning; and also providing integrated student supports to address other barriers to learning, such as the provision of health, counseling or mental health services; professional development opportunities to help teachers and parents support pupils in distance-learning contexts; access to school breakfast and lunch programs; or programs to address student trauma and social-emotional learning.

Supplemental Appropriations. The 2020-21 State Budget provides for a new, multi-year payment obligation to supplement K-14 education funding. The total obligation would equal approximately $12.4 billion, and reflects the administration's estimate of the additional funding K-14 school districts would have received in the absence of COVID-19-related reductions. Under this provision the State will make annual payments toward this obligation beginning in Fiscal Year 2021-22. These payments would equal 1.5% of State general fund revenue. The 2020-21 State Budget also increases the share of State general fund revenue required to be spent on K-14 school districts from 38% to 40% by Fiscal Year 2023-24.

Revised CalPERS and CalSTRS Contributions. The 2020-21 State Budget redirects $2.3 billion appropriated in the 2019 Budget Act to CalSTRS and CalPERS for long-term unfunded liabilities to reduce employer contribution rates in Fiscal Years 2020-21 and 2021-22. This reallocation will further reduce the CalSTRS employer rate from 18.41 percent to approximately 16.15 percent in Fiscal Year 2020-21 and from 17.9 percent to 16.02 percent in Fiscal Year 2021-22. The CalPERS Schools Pool employer contribution rate will be further reduced from 22.67 percent to 20.7 percent in Fiscal Year 2020-21 and from 24.6 percent to 22.84 percent in Fiscal Year 2021-22.

Allocation of Federal Funds. In addition to the federal Coronavirus Relief Fund and Governor's Emergency Education Relief Fund allocated to K-12 education, the Fiscal Year 2020-2021 Budget appropriates $1.6 billion in federal Elementary and Secondary School Emergency Relief funds that California was recently awarded. Of this amount, 90 percent ($1.5 billion) will be allocated to LEAs in proportion to the amount of Title I-A funding they receive to be used for COVID-19 related costs. The remaining 10 percent ($164.7 million) is available for COVID-19 related state-level activities, as follows: (i) $112.2 million to provide up to $0.75 per meal for LEAs participating in the National School Lunch Program, School Breakfast Program, Seamless Summer Option, or Summer Food Service Program and serving meals between March 2020 and August 2020 due to physical school closures caused by the COVID-19 pandemic; (ii) $45 million for grants to LEAs, including county offices of education, to coordinate or expand community schools to increase access to health, mental health, and social service supports for high-needs students; and (iii) $1.5 million for the Department of Education for State operations costs associated with the COVID-19 pandemic.

Average Daily Attendance. To help minimize additional learning loss related to COVID-19, the 2020-21 State Budget presumes that LEAs should transition back to providing in-classroom instruction in the 2020-21 school year, provided that if local or State public health official orders necessitate a school closure, LEAs will need flexibility to provide distance learning. The 2020-21 State Budget includes a hold harmless for the average daily attendance used to calculate school funding for all LEAs and requirements for distance learning to ensure that, when in-person instruction is not possible, students continue to receive access to a quality education via distance learning.

In this regard, the 2020-21 State Budget includes: (i) a hold-harmless for the purpose of calculating apportionment in Fiscal Year 2020-21; average daily attendance shall be based on the 2019-20 year, except for new charter schools commencing instruction in Fiscal Year 2020-21; (ii) an exemption for LEAs from the annual minimum instructional minutes requirement; (iii) requirements for distance learning services, including the provision of devices and connectivity and supports for students with exceptional needs, English language learner students, youth in foster care, and youth experiencing homelessness, as well as students in need of mental health supports; and (iv) distance learning attendance requirements, including documentation of daily student participation, weekly engagement records, and attendance reporting for purposes of chronic absenteeism tracking.

Employee Protections. The 2020-21 State Budget includes the suspension of the August 15, 2020, layoff window for teachers and other non-administrative certificated staff and suspension of layoffs for classified staff working in transportation, nutrition, and custodial services from July 1, 2020 through June 30, 2021. The 2020-21 State Budget also includes (i) the intent of the State Legislature that school districts, community college districts, joint powers authorities, and county offices of education retain all classified employees in Fiscal Year 2020-21; and (ii) an increase of $60 million Proposition 98 General Fund to provide a match of State funds for participating classified employees to be paid during the summer recess period.

Other significant features of the 2020-21 State Budget affecting K-12 schools include the following:

- *Special Education* - The 2020-21 State Budget increases special education base rates to $625 per pupil, and provides $100 million to increase funding for students with low-incidence disabilities.

- *Child Care* - Of the $350.3 million received by California through the CARES Act for COVID-19 related child care activities, the 2020-21 State Budget applies $144.3 million for State costs associated with SB 89 expenditures, family fee waivers, and provider payment protection; $125 million for voucher provider hold harmless and stipends; and $73 million to continue care for at-risk children and essential workers

- *Learning Continuity and Attendance Plan* - To replaces the annual LCAP requirement with a Learning Continuity and Attendance Plan, with public stakeholder engagement, to outline local education agencies compliance with applicable provisions, including student participation and attendance reporting, device accessibility and instruction. The 2020-21 State Budget requires the State Superintendent to develop a template of this plan for use by LEAs which will include a description of how such agencies will provide continuity of learning during the COVID-19 pandemic, expenditures related to addressing the impacts of the pandemic, and how such agencies are increasing or improving services in proportion to concentration funding that is received under the LCFF.

Governor's Proposed 2021-22 State Budget. On January 8, 2021, Governor Newsom released California's Proposed Fiscal Year 2021-22 State Budget (the "Proposed 2021-22 State Budget"). The Proposed 2021-22 State Budget totals about $227 billion, increasing only slightly over the 2020-21 State Budget. General Fund spending would increase by about $8.6 billion (5.5%) to $164.5 billion. The Proposed 2021-22 State Budget reflects an improved outlook since the 2020-21 State Budget, based on revenues that outperformed earlier projections following the COVID-19 pandemic. The State is projected to end the Fiscal Year 2020-21 with available general fund reserves that include: $15.6 billion in the Budget Stabilization Account (the General Fund's "rainy-day" fund) for fiscal emergencies; $450 million in the Safety Net Reserve (used to maintain benefits and services for CalWORKs and Medi-Cal participants during economic downturns) and $3 billion in the Public School System Stabilization Account (the Proposition 98 "rainy-day" fund used to lessen the impact of state revenue volatility on K-14 schools). Despite some improvement over the prior year, expenditures are projected to grow faster than revenues, with a structural deficit of about $7.6 billion projected for Fiscal Year 2022-23 that is forecast to grow to over $11 billion by 2024-25.

Proposition 98 Guarantee. For K-12 public schools and community colleges, the Proposition 98 funding for Fiscal Year 2021-22 is approximately $85.8 billion, a historic high. The Proposed 2021-22 State Budget proposes to eliminate the 2020-21 Budget's commitment to making supplemental appropriations above the Proposition 98 guarantee for several years starting in Fiscal Year 2021-22. Last year's budget projections had anticipated a $12.4 billion drop in Proposition 98 funding for Fiscal Years 2019-20 and 2020-21. But only about a $500 million drop is now projected to materialize. In place of those multi-year supplemental payments, the Proposed 2021-22 State Budget instead proposes a one-time non-Proposition 98 supplemental payment of $2.3 billion in Fiscal Year 2020-21.

Deferrals and COLA. The 2020-21 State Budget deferred LCFF apportionments of about $1.9 billion for K-12 funding from Fiscal Year 2019-20 to July in Fiscal Year 2021-22 and about $11 billion of more deferrals from Fiscal Year 2020-21 to Fiscal Year 2021-22. The Proposed 2021-22 State Budget proposes to pay off the full deferral in Fiscal Year 2019-20 and $7.3 billion of the deferral in Fiscal Year 2020-21, leaving an ongoing deferral balance of $3.7 billion in Fiscal Year 2021-22. The proposed COLA for LCFF in Fiscal Year 2021-22 is 3.84% - a compounded amount that encompasses a 2.31% COLA for 2020-21 and an additional 1.5% for 2021-22 (translating to about $2 billion) - and is applied to the LCFF base grants. Proposed 2021-22 State Budget projects a net decline in ADA statewide.

Significant features of the Proposed 2021-22 State Budget affecting K-12 public schools include the following:

- *Support for Reopening for In-Person Instruction*. A $2 billion one-time Proposition 98 General Fund appropriation to augment resources for schools to offer in-person instruction safely, available on a per-pupil basis for all county schools, school districts and classroom-based charter schools that are open for in-person instruction by specified dates.

- *Learning-Loss Interventions*. To address learning loss due to the COVID-19 pandemic, a $4.6 billion one-time Proposition 98 General Fund appropriation for targeted interventions that focus on students from low-income families, English language learners, youth in foster care and homeless youth, including an extended school year or summer school.

- *Hold Harmless*. The Proposed 2021-22 State Budget does not include a new ADA hold-harmless provision in 2021-22. However, because of the ADA hold-harmless provision in the 2020-21 State Budget, local education agencies that experience enrollment declines in 2021-22 will retain the ability to receive apportionment based on the higher of their 2019-20 or 2020-21 ADA, under existing statutes.

- *Special Education Funding*. A $300 million ongoing Proposition 98 General Fund appropriation for the Special Education Early Intervention Grant to increase evidence-based services for infants, toddlers, and preschoolers. A $5 million one-time Proposition 98 General Fund appropriation to establish professional learning networks.

- *Community Schools*. A $264.9 million one-time Proposition 98 General Fund appropriation to enable local education agencies to expand existing networks of community schools and establish new community schools, and to coordinate services to these schools with priority given to high-poverty communities.

- *Student Mental Health*. A $400 million one-time appropriation of a mix of federal funds and General Fund, available over multiple years, to implement an incentive program through Medi-Cal Managed Care Plans, administered by county behavioral health departments and schools, to increase the number of students receiving preventive care and early intervention behavioral health services from schools, providers in schools and school-based health centers.

- *Early Education*. A $250 million one-time Proposition 98 General Fund appropriation, available over multiple years, to encourage expansion of transitional kindergarten to younger children.

- *Pension Costs*. The 2020-21 State Budget redirected $2.3 billion of funds previously designated for a long-term buy-down of pension liabilities, and instead used them to reduce local school employer pension contributions in 2020-21 and 2021-22. The Proposed 2021-22 State Budget proposes, for 2021-22, CalSTRS apply $820 million to reduce the employer contribution rate from 18.1% to about 15.92%, and CalPERS apply $330 million to reduce the CalPERS School Pool employer contribution rate from 24.9% to 23%.

LAO Report on Proposed 2021-22 State Budget. On January 10, 2021, California's Legislative Analyst's Office ("LAO") issued a nonpartisan analyses (the "LAO Report") of the Proposed 2021-22 State Budget. The LAO Report notes the State's improved fiscal picture amidst the ongoing COVID-19 pandemic. Despite the overall expected increase in reserves under the Proposed 2021-22 State Budget, the LAO observes that the State will face large multiyear operating deficits if the State legislature adopts the Proposed 2021-22 State Budget. In particular, the LAO warns that the State would experience an operating deficit of $7.60 billion in fiscal year 2022-23 that would grow to $11.30 billion in fiscal year 2024-25. The LAO recommends that the State Legislature begin to consider the ways in which the State might address the multi-year structural deficit, including, for example, by considering the use of discretionary spending to make supplemental pension payments.

The LAO estimates that the Governor had a $15.50 billion surplus to allocate in the Proposed 2021-22 State Budget, and that the Governor allocated approximately $8.10 billion to one-time or temporary spending, approximately $2.90 billion to the Special Fund for Economic Uncertainties ("SFEU"), approximately $2.50 billion to revenue reductions, approximately $1.30 billion to ongoing spending (the costs of which the LAO estimates will grow slightly over time to $1.40 billion by fiscal year 2024-25), and approximately $700 million to repay State debts and liabilities. The LAO comments that the Proposed 2021-22 State Budget provides a reasonable mix of one-time and ongoing spending.

The LAO Report observes that, of the new public school and community college spending specifically attributable to 2021-22, the Proposed 2021-22 State Budget allocates $2.6 billion for ongoing commitments and $2.9 billion for one-time activities. This one-time spending, combined with a $2.4 billion one-time deposit into the Public School System Stabilization Account, creates a budget cushion of $5.3 billion. The LAO Report asserts that this cushion will help protect ongoing programs from volatility in the Proposition 98 minimum guarantee. Moreover, the LAO Report observes, $2.3 billion of the total Proposition 98 funding allocated to schools in 2021-22 is supported with a one-time supplemental payment (the Proposed 2021-22 State Budget assumes no such additional payments are provided after 2021-22).

Regarding the Governor's proposed plan for reopening in-person instruction, the LAO Report expresses concern that the proposal for offering in-person instruction is likely unfeasible and could discourage school district participation, given the short time frame and significant steps schools would be required to take. To be open by February 16, 2021, schools would only have a few weeks to complete their reopening plans, arrange routine testing, and develop collective bargaining agreements with their labor unions. It is also unclear whether the State and local health departments have the capacity to provide the support and technical assistance necessary to help schools implement their reopening plans in such a short time frame. The LAO Report suggests that the Legislature could modify the proposal to address these concerns.

The LAO Report recommends allocating a greater share of funding to paying down deferrals and addressing pension cost increases. Recent federal legislation—approved shortly before the release of the Proposed 2021-22 State Budget—is likely to provide one-time funding in 2021-22 in amounts similar to the $7 billion in State and federal funds to address COVID-19-related costs and mitigate learning loss contemplated in the Proposed 2021-22 State Budget. Although some additional State funding directed toward academic support and reopening schools might be warranted, the LAO Report suggests additional budget resources be directed to making more progress on (1) paying down deferrals or (2) mitigating future cost increases related to pensions.

The LAO Report is available on the LAO website at www.lao.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Future Budgets. The District cannot predict how State income or State education funding will vary over the term of the Bonds, and the District takes no responsibility for informing owners of the Bonds as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Future State budgets will be affected by national and State economic conditions, over which the District has no control, and other factors over which the District will have no control. Additionally, due to COVID-19, the filing deadline for federal and California tax returns was extended from April 15, 2020 to July 15, 2020. Accordingly, the State's adopted budget may not reflect the receipt of personal income tax and corporation tax payments received after the State's budget adoption date. To the extent that the State budget process results in reduced revenues, deferred revenues or increased expenses for the District, the District will be required to make adjustments to its budget and cash management practices. In the event current or future State Budgets decrease the District's revenues or increase required expenditures by the District from the levels assumed by the District, the District will be required to generate additional revenues, curtail programs or services, or use its reserve funds to ensure a balanced budget.

Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget" or www.ebudget.ca.gov. An impartial analysis of the budget is posted by the Office of the Legislative Analyst ("LAO") at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

The State Constitution requires that from all State revenues there will first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education. As discussed below, school districts in the State receive a significant portion of their funding from State appropriations. Accordingly, the State's economic condition can affect the economic condition of California school districts.

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Local Control Funding Formula. As part of the 2013-14 State Budget, State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97") was enacted to establish a new system for funding school districts, charter schools and county offices of education by the implementation of the Local Control Funding Formula or LCFF, to replace the revenue limit funding system for determining State apportionments and the majority of categorical program funding. Subsequently, AB 97 was amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49). The LCFF consists primarily of base, supplemental and concentration funding that focuses resources based on a school district's student demographics. Each school district and charter school will receive a per pupil base grant used to support the basic costs of instruction and operations. The implementation of the LCFF is to occur over a period of several years (and by 2021 or earlier), beginning in Fiscal Year 2013-14 when an annual transition adjustment was calculated for each school district, equal to such district's proportionate share of appropriations included in the 2013-14 State Budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. School districts will have the same proportion of their respective funding gaps closed in each year, with funding amounts that vary in accordance with the size of each district's funding gap.

The LCFF includes the following components:

- An average base grant for each local education agency equivalent to $7,643 per unit of average daily attendance ("ADA") (by the end of the implementation period). This amount includes an adjustment to the base grant to support lowering class sizes in grades K-3, and an adjustment to reflect the cost of operating career technical education programs in high schools. The authorizing LCFF statute, AB 97, provides for differentiated base grant amounts according to four different grade spans: K-3, 4-6, 7-8, and 9-12. Unless otherwise collectively bargained for, following full implementation of the LCFF, school districts must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site so as to continue receiving its adjustment to the K-3 base grant. Such K-3 school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period.

- A 20% supplemental grant for students classified as English learners ("EL"), those eligible to receive a free or reduced price meal ("FRPM") and foster youth, to reflect increased costs associated with educating those students. These supplemental grants are only attributed to each eligible student once, and the total student population eligible for the additional funding is known as an "unduplicated count."

- An additional concentration grant equal to 50% of a local education agency's base grant, based on the number of unduplicated EL, FRPM and foster youth served by the local agency that comprise more than 55% of the school district's or charter school's total enrollment. Because the District's unduplicated count is above the 55% threshold, the District will be eligible for the concentration grant for eligible students above 55%.

- An "Economic Recovery Target" to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

Parcel Tax Revenue

A parcel tax is a form of property tax assessed at a rate based on the characteristics of a parcel–or unit of property–rather than a rate based on the assessed value of the property. A parcel tax rate can differ based on the type of property. California law allows parcel taxes as a method for funding schools, but requires a two-thirds (2/3) supermajority vote for approval.

District voters approved a parcel tax extension at a May 3, 2016 election, increasing an existing parcel tax to $679 per year. The tax was approved by 66.9% of voters voting in the election. The tax will apply for eight years, expiring in May 2024, with the tax rate increasing by 5% each year while in effect. Projected District revenue generated from the parcel tax for fiscal year 2020-21 is about $3.3 million.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Article XIIIA of the California Constitution. On June 6, 1978, California voters approved Proposition 13, which added Article XIIIA to the California Constitution ("Article XIIIA"). Article XIIIA limits the amount of any ad valorem tax on real property to one percent of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and (as a result of an amendment to Article XIIIA approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness and (as a result of a constitutional amendment approved by California voters on November 7, 2000) on bonded indebtedness for school facilities and equipment approved by 55 percent of the voters voting on the bond measure. See "Proposition 39" below. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-1976 tax bill under full 'cash value,' or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation. This system results in widely varying amounts of tax on similarly situated properties based on differences in the taxpayer's date of acquisition of the property. On June 18, 1992, the United States Supreme Court issued a decision upholding the constitutionality of Article XIIIA (*Nordlinger v. Hahn*, 112 S. Ct. 2326, 120 L. Ed. 2d 1 (1992)).

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways. Most recently, Proposition 19 limits people who inherit family properties from keeping a low property tax base resulting from the 2% restriction on increases, unless they use the home as their primary residence. It also allows homeowners who are over 55 years of age, disabled, or victims of a wildfire or natural disaster to transfer their assessed value of their primary home to a newly purchased or newly constructed replacement primary residence up to three times.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent 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 two percent annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Article XIIIB of the California Constitution. An initiative to amend the California Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979 thereby adding Article XIIIB to the California Constitution ("Article XIIIB"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the appropriations limit. Article XIIIB does not affect the appropriations of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1,1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is to be based on certain 1978-1979 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Article XIIIC and Article XIIID of the California Constitution. On November 5, 1996, the voters of the State approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes); prohibits special purpose government agencies such as school districts from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote. Article XIIIC also provides that no tax may be assessed on property other than ad valorem property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

Article XIIIC also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure that would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

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

Proposition 62. In 1986, California voters adopted Proposition 62, a statutory initiative which amended the California Government Code by the addition of Sections 53720-53730. Proposition 62 requires that (i) any local tax for general governmental purposes (a "general tax") must be approved by a majority vote of the electorate; (ii) any local tax for specific purposes (a "special tax") must be approved by a two-thirds vote of the electorate; (iii) any general tax must be proposed for a vote by two-thirds of the legislative body; and (iv) proceeds of any tax imposed in violation of the vote requirements must be deducted from the local agency's property tax allocation. Provisions applying Proposition 62 retroactively from its effective date to 1985 are unlikely to be of any continuing importance; certain other restrictions were already contained in the Constitution.

Most of the provisions of Proposition 62 were affirmed by the 1995 California Supreme Court decision in Santa Clara County Local Transportation Authority v. Guardino, which invalidated a special sales tax for transportation purposes because fewer than two-thirds of the voters voting on the measure had approved the tax. Following the California Supreme Court's decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62, which was passed in November 1986. On June 4, 2001, the California Supreme Court released its decision in one of these cases, Howard Jarvis Taxpayers Association v. City of La Habra, et al. ("La Habra"). In this case, the court held that public agency's continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

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

Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 districts are guaranteed the greater of (a) in general, a fixed percent of the State's General Fund (the "State General Fund") revenues ("Test 1"), (b) the amount appropriated to K-14 schools in the prior year, adjusted for changes in the cost-of-living (measured as in Article XIIIB by reference to State per capita personal income) and enrollment ("Test 2"), or (c) a third test, which would replace Test 2 in any year when the percentage growth in per capita State General Fund revenues from the prior year plus one-half of one percent is less than the percentage growth in State per capita personal income ("Test 3"). Under Test 3, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State General Fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 would become a "credit" to schools which would be the basis of payments in future years when per capita State General Fund revenue growth exceeds per capita personal income growth. Legislation adopted prior to the end of the 1988-89 fiscal year, implementing Proposition 98, determined the K-14 districts' funding guarantee under Test 1 to be 40.3% of the State General Fund tax revenues, based on 1986-87 appropriations. However, that percentage has been adjusted to 35% to account for a subsequent redirection of local property taxes whereby a greater proportion of education funding now comes from local property taxes.

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

In the 2020-21 State Budget, the State anticipates approximately an overall 7% decline in State Revenues, which without other action, would result in an approximately $10 billion reduction in spending from the Proposition 98 minimum guarantee set forth the 2019-20 State Budget. The 2020-21 State Budget offsets this loss in several ways, including the deferral of approximately $12.9 billion in payments into the 2021-22 fiscal year to preserve programs for school districts and community college districts and draws of approximately $8.8 billion in reserves from the BSA, Safety Net Reserve and Public School System Stabilization Account. The 2020-21 State Budget restores up to an approximate of $11.1 billion in the event federal funds are received by October 15, 2020, with the specific amount depending on the amount of federal funding received. See "- State Budget" herein.

Application of Proposition 98.

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. One major reason is that Proposition 98 minimum funding levels under Test 1 and Test 2 are dependent on State General Fund revenues. In past fiscal years, the State made actual allocations to K-14 districts based on an assumption of State General Fund revenues at a level above that which was ultimately realized. In such years, the State has considered the amounts appropriated above the minimum as a loan to K-14 districts, and has deducted the value of these loans from future years' estimated Proposition 98 minimum funding levels. The State determined that there were loans to K-14 districts of $1.3 billion during fiscal year 1990-91, $1.1 billion during fiscal year 1991-92, $1.3 billion during fiscal year 1992-93 and $787 million during fiscal year 1993-94. These loans have been combined with the K-14 1992-93 loans into one loan totaling $1.760 billion. The State proposed that repayment of this loan would be from future years' Proposition 98 entitlements, and would be conditioned on maintaining current funding levels per pupil for K-12 schools.

In 1992, a lawsuit, California Teachers' Association et al. v. Gould, was filed, which challenged the validity of the off-budget loans. As part of the negotiations leading to the 1995-96 Budget Act, an agreement was reached to settle this case. The agreement provides that both the State and K-14 districts share in the repayment of prior years' emergency loans to schools. Of the total $1.76 billion in loans, the State will repay $935 million, while K-14 districts will repay $825 million. The State share of the repayment will be reflected as expenditures above the current Proposition 98 base calculation. The K-14 districts' share of the repayment will count as appropriations that count toward satisfying the Proposition 98 guarantee, and thus are treated as from "below" the current base. Repayments are spread over the eight-year period of 1994-95 through 2001-02 to mitigate any adverse fiscal impact. In April 1996, a court settlement was reached and $360 million in appropriations from the 1995-96 fiscal year was disbursed to districts in August 1996.

Substantially increased State General Fund revenues, above initial budget projections, in the fiscal years 1994-95 and thereafter have resulted or will result in retroactive increases in Proposition 98 appropriations from subsequent fiscal years' budgets. Because of the State's increasing revenues, per-pupil funding at the K-12 level has increased by about 42% from the level in place from 1991-92 through 1993-94. A significant amount of the "extra" Proposition 98 moneys in the last few years has been allocated to special programs, most particularly an initiative to allow each classroom from grades K-3 to have no more than 20 pupils by the end of the 1997-98 school year. More recently, however, the economy of the State has slowed and it is anticipated that the State may experience budget shortfalls due to COVID-19. For a discussion of State funding of the District, see "FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA." See also "INTRODUCTION – COVID-19 Pandemic."

Proposition 39.

On November 7, 2000, voters approved Proposition 39 called the "Smaller Classes, Safer Schools and Financial Accountability Act" (the "Smaller Classes Act"). The Smaller Classes Act amends Section 1 of Article XIIIA, Section 18 of Article XVI of the California Constitution and Section 47614 of the California Education Code. With respect to school districts, community colleges and county offices of education and effective upon its passage, Section 18(b) of Article XVI allows an alternative means of seeking voter approval for bonded indebtedness by 55 percent of the vote, rather than the two-thirds majority required under Section 18 of Article XVI of the Constitution. The reduced 55 percent voter requirement applies only if the bond measure submitted to the voters includes, among other items: 1) a restriction that the proceeds of the bonds may be used for "the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities," 2) a list of projects to be funded and a certification that the school district board has evaluated "safety, class size reduction, and information technology needs in developing that list"; and 3) that annual, independent performance and financial audits will be conducted regarding the expenditure and use of the bond proceeds.

Section 1(b)(3) of Article XIIIA has been added to except from the one percent *ad valorem* tax limitation under Section 1(a) of Article XIIIA of the Constitution levies to pay bonds approved by the 55 percent of the voters, subject to the restrictions explained above.

The Legislature enacted AB 1908, Chapter 44, which became effective upon passage of Proposition 39. AB 1908 amends various sections of the Education Code. Under amendments to Sections 15268 and 15270 of the Education Code, the following limits on *ad valorem* taxes apply in any single election: 1) for a school district, indebtedness shall not exceed $30 per $100,000 of taxable property; 2) for a unified school district, indebtedness shall not exceed $60 per $100,000 of taxable property; and, 3) for a community college district, indebtedness shall not exceed $25 per $100,000 of taxable property. Finally, AB 1908 requires that a citizens' oversight committee must be appointed who will review the use of the bond funds and inform the public about their proper usage.

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

Proposition 1A and Proposition 22

Beginning in fiscal year 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a Statewide ballot initiative intended to eliminate the practice. In response, the Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of an initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting or diverting revenues to any other local government, including school and community college districts, or from temporarily shifting property taxes from cities, counties and special districts to K-14 schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment is to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert $1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of $1.7 billion in local property tax revenues from local redevelopment agencies. Redevelopment agencies, through the California Redevelopment Association ("CRA") engaged in litigation to block the transfer of payments and recoup certain payments already made under certain legislation passed in July 2009 that is beyond the reach of Proposition 22, known as "ABX4 26." Because Proposition 22 reduced the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State has to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State are more directly dependent upon the State's general fund.

Redevelopment Agency Dissolution. On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos*, finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in California were dissolved as of February 1, 2012, and all net tax increment revenues, after payment of redevelopment bonds debt service and administrative costs, will be distributed to cities, counties, special districts and K-14 school districts. The Court also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling $1.7 billion statewide. The District is unable to predict what affect the implementation of ABx1 26 will have on the District's future receipt of tax increment revenues. As a result of the dissolution of California redevelopment agencies and ABx1 26, the tax increment previously paid to redevelopment agencies shall first be used to pay pass-through payments to other taxing entities and second to pay the redevelopment agencies enforceable obligations; with the remaining revenue (if any) paid to the taxing entities by the County Auditor-Controller in the same proportion as other tax revenue.

Proposition 30 and Proposition 55

The passage of the Governor's November Tax Initiative ("Proposition 30") on November 6, 2012 ballot resulted in an increase in the State sales tax by a quarter-cent for four years and, for seven years, raising taxes on individuals after their first $250,000 in income and on couples after their first $500,000 in earnings. These increased tax rates affect approximately 1 percent of California personal income tax filers and became effective in the 2012 tax year, ending at the conclusion of the 2018 tax year. The LAO estimates that, as a result of Proposition 30, additional State tax revenues of about $6 billion annually from 2012–13 through 2016–17 will be received by the State with lesser amounts of additional revenue available in fiscal years 2011–12, 2017–18, and 2018–19. These additional monies were available to fund programs in the 2012-13 State Budget and prevented certain "trigger cuts" included in the 2012-13 State Budget from going into effect. Proposition 30 also placed into the State Constitution certain requirements related to the transfer of certain State program responsibilities to local governments, mostly counties, including incarcerating certain adult offenders, supervising parolees, and providing substance abuse treatment services.

Revenues generated by Proposition 30 accounted for an increase of approximately 14 percent over fiscal year 2011–12 in funding for schools and community colleges as set forth in the 2012–13 State Budget. Almost all of this increase was used to pay K–14 expenses from the previous year and reduce delays in certain State K–14 payments. Proposition 30 also provides for additional tax revenues aimed at balancing the State's budget through 2018–19, providing several billion dollars annually through fiscal year 2018–19 available for purposes including funding existing State programs, ending K–14 education payment delays, and paying other State debts. Future actions of the State Legislature and the Governor will determine the use of these funds. According to the LAO, revenues raised by Proposition 30 could be subject to multibillion-dollar swings, above or below the revenues projections, due to the majority of the additional revenue coming from the personal income tax rate increases on upper-income taxpayers. These fluctuations in incomes of upper-income taxpayers could impact potential State revenue and complicate State budgeting in future years. After the proposed tax increases expire, the loss of the associated tax revenues could also create additional budget pressure in subsequent years.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, was approved by State voters on November 8, 2016. Proposition 55 extends the increase to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through the year 2030. Tax revenues received under Proposition 55 are allocated as follows: 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales tax rate increase enacted under Proposition 30.

Proposition 2

Proposition 2, also known as The Rainy Day Budget Stabilization Fund Act ("Proposition 2") was approved by California voters on November 4, 2014. Proposition 2 provides for changes to State budgeting practices, including revisions to certain conditions under which transfers are made into and from the State's Budget Stabilization Account (the "Stabilization Account") established by the California Balanced Budget Act of 2004 (also known as Proposition 58). Commencing in Fiscal Year 2015-16 and for each fiscal year thereafter, the State is required to make an annual transfer to the Stabilization Account in an amount equal to 1.5% of estimated State general fund revenues (the "Annual Stabilization Account Transfer"). For a Fiscal Year in which the estimated State general fund revenues allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues, supplemental transfers to the Stabilization Account (a "Supplemental Stabilization Account Transfer") are also required. Such excess capital gains taxes, which are net of any portion thereof owed to K-14 school districts pursuant to Proposition 98, are required to be transferred to the Stabilization Account.

In addition, for each fiscal year, Proposition 2 increases the maximum size of the Stabilization Account to 10% of estimated State general fund revenues. Such excess amounts are to be expended on State infrastructure, including deferred maintenance, in any Fiscal Year in which a required transfer to the Stabilization Account would result in an amount in excess of the 10% threshold. For the period from Fiscal Year 2015-16 through Fiscal Year 2029-30, Proposition 2 requires that half of any such transfer to the Stabilization Account (annual or supplemental), shall be appropriated to reduce certain State liabilities, including repaying State interfund borrowing, reimbursing local governments for State mandated services, making certain payments owed to K-14 school districts, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. After Fiscal Year 2029-30, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the

Stabilization Account to the reduction of such State liabilities and any amount not so applied shall be transferred to the Stabilization Account or applied to infrastructure, as set forth above.

Accordingly, the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the Stabilization Account are impacted by Proposition 2. Unilateral discretion to suspend transfers to the Stabilization Account are not retained by the Governor. Neither does the Legislature retain discretion to transfer funds from the Stabilization Account for any reason, as was previously provided by law. Instead, the Governor must declare a "budget emergency" (defined as an emergency within the meaning of Article XIIIB of the Constitution) or a determination that estimated resources are inadequate to fund State general fund expenditure, 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, and any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the Stabilization Account 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 Stabilization Account, unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also provides for the creation of a Public School System Stabilization Account (the "Public School System Stabilization Account") into which transfers will be made in any fiscal year in which a Supplemental Stabilization Account Transfer is required, requiring that 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. Transfers to the Public School System Stabilization Account are only to be made if certain additional conditions are met, including that: (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 Public School System Stabilization Account 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 Public School System Stabilization Account 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 Public School System Stabilization Account transfer might be made is higher than the immediately preceding Fiscal Year, as adjusted for ADA growth and cost of living. Under Proposition 2, the size of the Public School System Stabilization Account is capped at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Any reductions to a required transfer to, or draws upon, the Public School System Stabilization Account, are subject to the budget emergency requirements as described above. However, 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, Proposition 2 also mandates draws on the Public School System Stabilization Account.

Proposition 51

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

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

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

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

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID and Propositions 98, 111, 1A, 22, 30, 2, 62, 39 and 51 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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APPENDIX B

FORMS OF BOND COUNSEL OPINIONS

[Settlement Date]

Board of Trustees
Larkspur-Corte Madera School District
230 Doherty Drive
Larkspur, California 94939

Re: $7,725,000 Larkspur-Corte Madera School District (Marin County, California) 2021 General Obligation Refunding Bonds (2000 Election and 2011 Election) Series A (Forward Delivery)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Larkspur-Corte Madera School District (the "District"), in connection with the issuance by the District of $7,725,000 aggregate principal amount of its 2021 General Obligation Refunding Bonds (2000 Election and 2011 Election) Series A (Forward Delivery) (the "Bonds"). The Bonds are issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Sections 53550 and 53580, respectively) (the "Refunding Act"), and the resolution adopted by the Board of Trustees of the District on February 10, 2021 (the "Resolution"). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Bonds, including the Resolution. Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Resolution and other relevant documents pertaining to the Bonds may be changed and certain actions (including, without limitation, the defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel. We express no opinion as to the effect of any change to any document pertaining to the Bonds or of any action taken or not taken where such change is made or action is taken or not taken without our approval or in reliance upon the advice of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolution and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security or the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, any supplements thereto or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding obligations of the District, payable as to 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.

2. The Resolution has been duly adopted and constitutes a valid and binding obligation of the District.

3. Based upon the foregoing, that pursuant to section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance with the provisions of the Resolution and the Tax Certificate and in reliance upon the representations and certifications of the District made in the Tax Certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, when the Bonds are delivered to and paid for by the initial purchasers thereof, interest on the Bonds for federal income tax purposes (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof.

4. Under existing law, interest on the Bonds is exempt from personal income taxes of the State of California.

We express no other opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, owners of an interest in a financial asset securitization investment trust, individuals otherwise qualifying for the earned income tax credit, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service or the State of California; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

[closing date]

Board of Trustees
Larkspur-Corte Madera School District
230 Doherty Drive
Larkspur, California 94939

Re: $39,685,000 Larkspur-Corte Madera School District (Marin County, California) 2021 General Obligation Refunding Bonds (2011 Election and 2014 Election) Series B (Federally Taxable)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Larkspur-Corte Madera School District (the "District"), in connection with the issuance by the District of $39,685,000 aggregate principal amount of its 2021 General Obligation Refunding Bonds (2011 Election and 2014 Election) Series B (Federally Taxable) (the "Bonds"). The Bonds are issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Sections 53550 and 53580, respectively) (the "Refunding Act"), and the resolution adopted by the Board of Trustees of the District on February 10, 2021 (the "Resolution"). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Bonds, including the Resolution. Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Resolution and other relevant documents pertaining to the Bonds may be changed and certain actions (including, without limitation, the defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel. We express no opinion as to the effect of any change to any document pertaining to the Bonds or of any action taken or not taken where such change is made or action is taken or not taken without our approval or in reliance upon the advice of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. We call attention to the fact that the rights and obligations under the Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security or the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, any supplements thereto or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding obligations of the District, payable as to 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.

2. The Resolution has been duly adopted and constitutes a valid and binding obligation of the District.

3. Under existing law, interest on the Bonds is exempt from personal income taxes of the State of California.

We express no other opinion with respect to any other state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the State of California; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

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APPENDIX C

AUDITED FINANCIAL STATEMENTS
OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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LARKSPUR-CORTE MADERA SCHOOL DISTRICT

MARIN COUNTY

AUDIT REPORT

For the Fiscal Year Ended June 30, 2020

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
For the Fiscal Year Ended June 30, 2020
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Financial Section

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Larkspur-Corte Madera School District
Larkspur, 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 Larkspur-Corte Madera School District, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the 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.

Auditors' 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2019-20 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 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 Larkspur-Corte Madera School District, as of June 30, 2020, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA

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Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information on pages 65 to 68 is 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 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The information on page 64 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 29, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nigro + Nigro, PC.

Murrieta, California
December 29, 2020

This discussion and analysis of Larkspur-Corte Madera School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position decreased by approximately $0.6 million.
- Overall revenues were $25.0 million.
- The total cost of the basic programs was $25.7 million. Because a portion of these costs were paid for with charges, fees and intergovernmental aid, the net cost that required taxpayer funding was $20.8 million.
- The District decreased its outstanding long-term debt other than pensions by $1.4 million.
- Average daily attendance (ADA) in grades K-8 declined by 8, or 0.6%.
- Governmental funds increased by $0.8 million, or 7.8%.
- Reserves for the General Fund increased by $1.0 million, or 81.1%. Revenues were $21.2 million and expenditures were $20.2 million.

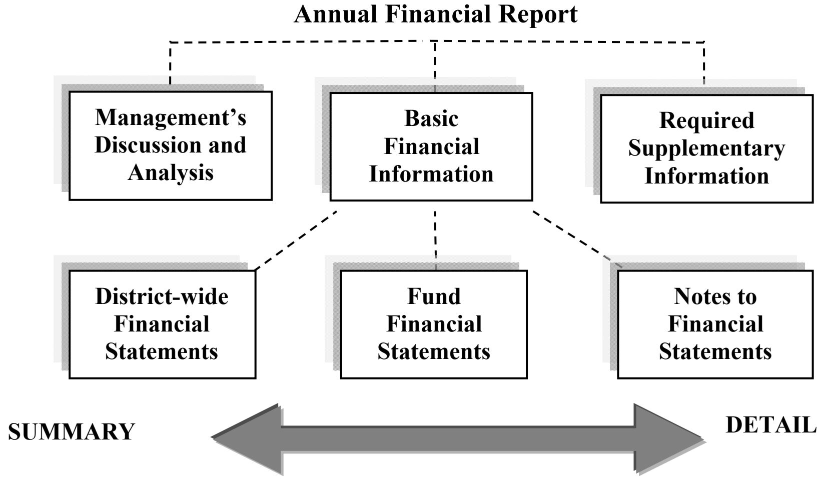
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial* statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial* statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
    - The *governmental funds* statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
    - *Fiduciary funds* statement provides information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Larkspur-Corte Madera School District's Annual Financial Report



OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements
The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of school buildings and other facilities.

- In the District-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements
The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues.

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.

- *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others, namely, the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was lower on June 30, 2020, than it was the year before – decreasing 3.1% to $(21.2) million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		Variance Increase
	2020	2019	(Decrease)
Current assets	$ 14,742,567	$ 10,618,738	$ 4,123,829
Capital assets	49,489,894	51,260,306	(1,770,412)
Total assets	64,232,461	61,879,044	2,353,417
Total deferred outflows	6,163,380	6,152,744	10,636
Current liabilities	4,760,783	1,427,422	3,333,361
Long-term liabilities	62,714,243	64,131,194	(1,416,951)
Net pension liability	22,035,801	21,435,505	600,296
Total liabilities	89,510,827	86,994,121	2,516,706
Total deferred inflows	2,118,924	1,627,811	491,113
Net Position			
Net investment in capital assets	(5,152,879)	(4,360,700)	(792,179)
Restricted	8,361,235	8,343,029	18,206
Unrestricted	(24,442,266)	(24,572,473)	130,207
Total net position	$ (21,233,910)	$ (20,590,144)	$ (643,766)

Changes in net position, governmental activities. The District's total revenues decreased 9.8% to $25.0 million (See Table A-2). The decrease is due primarily to a reduction in property tax revenue and capital grants and contributions.

The total cost of all programs and services decreased 3.3% to $25.7 million. The District's expenses are predominantly related to educating and caring for students, 64.7%. The purely administrative activities of the District accounted for just 8.1% of total costs. A significant contributor to the decrease in costs was a reduction in staffing combined with a reduction in instruction related costs due to COVID-19 closures.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Table A-2: Statement of Activities

	Governmental Activities 2020	Governmental Activities 2019	Variance Increase (Decrease)
Revenues			
Program Revenues:			
Charges for services	$ 144,825	$ 224,595	$ (79,770)
Operating grants & contributions	3,315,840	3,141,702	174,138
Capital grants & contributions	1,431,433	3,244,280	(1,812,847)
General Revenues:			
Property taxes	14,409,463	15,600,807	(1,191,344)
Federal & state aid	4,595,451	4,367,997	227,454
Interest & investment earnings	69,738	40,582	29,156
Miscellaneous and interagency	1,057,050	1,137,626	(80,576)
Total Revenues	25,023,800	27,757,589	(2,733,789)
Expenses:			
Instruction	15,202,530	16,295,792	(1,093,262)
Pupil services	1,412,143	1,365,837	46,306
Administration	2,077,468	1,770,170	307,298
Plant services	2,119,912	2,282,559	(162,647)
All other activities	4,855,513	4,829,914	25,599
Total Expenses	25,667,566	26,544,272	(876,706)
Increase (decrease) in net position	$ (643,766)	$ 1,213,317	$ (1,857,083)
Total Net Position	$ (21,233,910)	$ (20,590,144)	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $10.8 million, which is above last year's ending fund balance of $10.0 million. The primary cause of the increased fund balance is funding received for school facilities projects.

Table A-3: The District's Fund Balances

	Fund Balances				
	July 1, 2019	Revenues	Expenditures	Other Sources and (Uses)	June 30, 2020
Fund					
General Fund	$ 1,507,878	$ 21,169,370	$ 20,203,162	$ -	$ 2,474,086
Cafeteria Fund	89,011	259,963	281,419	-	67,555
Deferred Maintenance Fund	80,466	30,896	16,886	-	94,476
Building Fund	259,440	5,323	252,540	-	12,223
Capital Facilities Fund	162,147	13,457	30,988	-	144,616
County School Facilities Fund	4,307,444	1,431,433	511,782	-	5,227,095
Bond Interest and Redemption Fund	3,580,870	2,906,911	3,743,357	(1,250)	2,743,174
	$ 9,987,256	$ 25,817,353	$ 25,040,134	$ (1,250)	$ 10,763,225

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories:

- Revenues – increased by $0.5 million primarily to reflect federal and state budget actions.
- Salaries and benefits costs – increased $0.4 million due to revised staffing estimates.

While the District's final budget for the General Fund anticipated that revenues would exceed expenditures by about $0.1 million, the actual results for the year show that revenues exceeded expenditures by roughly $1.0 million. Actual revenues were $57,109 less than anticipated, and expenditures were $0.9 million less than budgeted.

The remaining budgeted expenditure amount consists primarily of restricted categorical program dollars that were not spent as of June 30, 2020, that will be carried over into the 2020-21 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2019-20 the District had invested $0.3 million in new capital assets, related to its ongoing modernization efforts. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year approximated $2.1 million.

Table A-4: Capital Assets at Year-End, Net of Depreciation

	Governmental Activities		Variance Increase
	2020	2019	(Decrease)
Land	$ 279,448	$ 279,448	$ -
Construction in progress	-	14,223	(14,223)
Building & improvements	48,136,743	49,788,850	(1,652,107)
Improvement of sites	1,002,455	1,065,548	(63,093)
Equipment & vehicles	71,248	112,237	(40,989)
Total	$ 49,489,894	$ 51,260,306	$ (1,770,412)

Long-Term Debt

At year-end the District had $62.7 million in long-term debt other than pensions – a decrease of 2.2% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements).

	Governmental Activities		Variance Increase
	2020	2019	(Decrease)
General obligation bonds	$ 61,778,180	$ 63,058,564	$ (1,280,384)
Compensated absences	102,661	50,391	52,270
Early retirement incentive	604,993	756,241	(151,248)
Other post employment benefits	228,409	265,998	(37,589)
Total	$ 62,714,243	$ 64,131,194	$ (1,416,951)

Net pension liability increased during the year by $0.6 million.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The State Legislature passed a final budget package on June 26, 2020. The final budget package assumed that $2 billion in federal funds would be forthcoming and took the Governor's approach in the May Revision to make other spending reductions contingent on other federal money. In addition, relative to the June 15 initial package, the final package made several changes, including increasing school deferrals by $3.5 billion (assuming no federal money is forthcoming), increasing revenue assumptions by more than $1 billion, and eliminating the plan to reinstate General Fund payment deferrals. The Governor signed the 2020-21 Budget Act and related budget legislation on June 29, 2020.

Proposition 98

Proposition 98 Establishes Minimum Funding Level for Schools and Community Colleges
This minimum funding requirement is commonly called the minimum guarantee. The state calculates the minimum guarantee by comparing three main formulas or "tests". Each test takes into account certain inputs, such as state General Fund revenue, per capita personal income, and K-12 student attendance. The state can choose to fund at the minimum guarantee or any level above it. It also can suspend the guarantee with a two-thirds vote of each house of the Legislature, allowing the state to provide less funding than the formulas require that year. The state meets the guarantee through a combination of state General Fund and local property tax revenue.

Minimum Funding Requirement Down Significantly in 2019-20 and 2020-21
Estimates of the minimum guarantee under the June 2020 budget plan have dropped significantly compared with June 2019 estimates. For 2019-20, the minimum requirement is down $3.4 billion (4.2 percent). For 2020-21, the minimum requirement is down $6.8 billion (8.7 percent) from the revised 2019-20 level and $10.2 billion (12.5 percent) from the 2019-20 level estimated in June 2019. These drops mainly reflect reductions in state General Fund revenue. Test 1 remains operative in both years, with the drop in the General Fund portion of the guarantee equal to nearly 40 percent of the drop in revenues. The local property tax portion of the guarantee, by contrast, grows slowly from 2019-20 to 2020-21.

Budget Plan Implements Significant Payment Deferrals
In both 2019-20 and 2020-21, the budget plan reduces school and community college funding to the lower minimum requirement. It implements these reductions primarily by deferring $12.5 billion in payments. (When the state defers payments from one fiscal year to the next, the state can reduce spending while allowing school districts to maintain programs by borrowing or using cash reserves.) Of the $12.5 billion, $11 billion applies to K-12 schools and $1.5 billion applies to community colleges. Although the budget plan authorized the Department of Finance to rescind up to $6.6 billion of the deferrals if the state received additional federal funding by October 15, 2020, Congress did not approve any additional funds prior to this deadline.

Makes a Few Other Spending Adjustments
In addition to the deferrals, the budget plan makes a few other adjustments to school and community college funding. Most notably, it does not provide the 2.31 percent statutory cost-of-living adjustment for school and community college programs in 2020-21. The budget plan also uses $833 million in one-time funds to cover costs for the K-12 Local Control Funding Formula (LCFF) and community college apportionments in 2019-20 and 2020-21. These one-time funds consist of $426 million in unspent prior-year funds and a $407 million settle-up payment. In addition, the budget plan withdraws the entire $377 million the state deposited into the Proposition 98 Reserve in the fall of 2019. (Formulas in the State Constitution govern Proposition 98 Reserve deposits and withdrawals.) Finally, the budget plan obtains $240 million in savings ($110 million in 2019-20 and $130 million in 2020-21) from eliminating unallocated State Preschool slots.

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

Proposition 98 (continued)

Creates Supplemental Obligation to Increase Funding Beginning in 2021-22
This obligation has two parts. First, it requires the state to make temporary payments on top of the Proposition 98 guarantee beginning in 2021-22. Each payment will equal 1.5 percent of annual General Fund revenue. The state can allocate these payments for any school or community college purpose. Payments will continue until the state has paid $12.4 billion—the amount of funding schools and community colleges could have received under Proposition 98 if state revenues had continued to grow. (Technically, the obligation equals the total difference between the Test 1 and Test 2 funding levels in 2019-20 and 2020-21.) Second, the obligation requires the state to increase the minimum share of General Fund revenue allocated to schools and community colleges from 38 percent to 40 percent on an ongoing basis. This increase is set to phase in over the 2022-23 and 2023-24 fiscal years.

K-12 Education

Proposition 98 Funding Decreases 12 Percent
The budget package includes $62.5 billion in Proposition 98 funding for K-12 education in 2020-21—$8.7 billion (12.2 percent) less than the 2019-20 Budget Act level.

Defers $11 Billion in K-12 Payments, Allows Exemptions in Limited Circumstances
The state distributes funding for LCFF and special education following a monthly payment schedule established in law. The budget plan modifies this schedule in 2019-20 to defer $1.9 billion in payments to the following fiscal year. In 2020-21, the budget plan maintains these deferrals and adopts $9.1 billion in additional deferrals. Under the modified schedule, portions of the payments otherwise scheduled for the months of February through June will be paid over the July through November period. The total amount deferred equates to about 16 percent of all state and local funding schools receive for LCFF and special education, or 24 percent of the General Fund allocated for these programs. If a district or charter school can demonstrate it would be unable to meet its financial obligations because of the deferrals, and has exhausted all other sources of internal and external borrowing, it can apply for an exemption. The law allows the Department of Finance, State Controller, and State Treasurer to authorize up to $300 million in deferral exemptions per month. If these exemption requests exceed the funding available, the earliest applications will be approved first.

Addresses Historically Low-Funded Special Education Regions
Most state special education funding is provided to Special Education Local Plan Areas (SELPAs) based on total student attendance within the area. (Most SELPAs are regional collaborations of neighboring districts, county offices of education [COEs], and charter schools, though some consist of only a single large district.) Each SELPA receives a unique per-student rate linked to certain historical factors. In 2019-20, these per-student rates varied from $557 to more than $900. The budget provides $545 million to bring low-funded SELPAs to a new rate of $625 per student. This rate is roughly equivalent to the 93rd percentile of current rates.

Allocates $6.4 Billion in One-Time Federal Funding
The budget package allocates $6.4 billion in one-time federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding for K-12 education. The majority of funding ($4.8 billion) is provided for learning loss mitigation. The budget also includes $1.5 billion that can be used for a variety of activities and is distributed based on counts of low-income and disadvantaged children. The remaining funds are used to provide higher reimbursement rates for some school meals, create a competitive grant program for implementing the community schools model, and cover state costs of allocating and overseeing how CARES Act funds are spent.

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

K-12 Education (continued)

Funds Learning Loss Mitigation Activities
The budget package provides $5.3 billion in one-time funding for activities mitigating learning loss due to coronavirus disease 2019 (COVID-19) school closures. This amount consists of $4.4 billion from the federal Coronavirus Relief Fund, $540 million Proposition 98 General Fund, and $355 million from the federal Governor's Emergency Education Relief Fund. Allocations from the Coronavirus Relief Fund can be used to cover eligible costs incurred between March 1, 2020 and December 30, 2020, while the remainder of the funding covers costs incurred between March 13, 2020 and September 30, 2022. Allowable activities include expanding learning supports, increasing instructional time, offering additional academic services (such as diagnostic assessments and devices and connectivity for distance learning), and addressing other barriers to learning (such as mental health services, professional development for teachers and parents, and student meals). Of this funding, $2.9 billion is to be allocated based on LCFF supplemental and concentration grants, $1.5 billion based on the number of students with disabilities, and $980 million based on total LCFF allocation.

Funds Schools Based on 2019-20 Attendance Levels, Allows Growth Under Certain Conditions
For funding purposes, the state ordinarily credits school districts with their average daily attendance in the current or prior year, whichever is higher. Charter schools and COEs are funded according to their attendance in the current year only. In 2020-21, however, the state will not collect average daily attendance data. Instead, districts, charter schools, and COEs will be funded according to their 2019-20 attendance levels unless they had previously budgeted for attendance growth. Any attendance growth for a district or charter school is limited to the lower of its (1) previously projected increase in enrollment or attendance, as documented in its budget, or (2) actual increase in enrollment from October 2019 to October 2020. (For this calculation, enrollment numbers are converted to an equivalent amount of average daily attendance by adjusting them for the statewide average absence rate.) The trailer legislation also allows a few other attendance-related adjustments. Most notably, if a charter school closes during the 2020-21 school year, the attendance it previously generated will be credited to its sponsoring school district.

Modifies Instructional Requirements to Allow for Distance Learning
The budget package suspends requirements for annual instructional minutes for 2020-21 to provide additional flexibility to schools and allows minimum instructional day requirements be met through a combination of in-person instruction and distance learning. The budget package also sets expectations for distance learning. Among other specified activities, distance learning must be substantially equivalent to in-person instruction; include daily live interaction between teachers and students; and provide appropriate supports to students with disabilities, English learners, and other student subgroups.

Includes Additional Fiscal Flexibility in a Few Areas
Budget trailer legislation includes several changes to provide more spending flexibility for school districts:

- For the purposes of calculating minimum routine maintenance deposits, excludes one-time funding for state pension payments on behalf of school districts, learning loss mitigation funds, and federal Elementary and Secondary School Emergency Relief funds. Typically, school districts receiving funding from the state's School Facility Program are required to establish a restricted account for routine maintenance of school facilities and deposit 3 percent of the district's annual expenditures.

- Allows for proceeds from the sale or lease of surplus property purchased entirely with local funds to be used for one-time general fund purposes through 2023-24.

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

K-12 Education (continued)

Includes Additional Fiscal Flexibility in a Few Areas (continued)

- For the purpose of spending restricted lottery revenues, permanently expands the definition of instructional materials to also include laptop computers and devices that provide internet access. Schools and community colleges receive about $450 million in lottery revenues annually that must be spent on instructional materials.

- Allows the California Department of Education (CDE) to waive several programmatic requirements for the After School Education and Safety program.

Repurposes Prior Pension Payment to Reduce District Costs Over the Next Two Years
School district pension costs have been rising relatively quickly over the past several years. To help mitigate future cost increases, the 2019-20 budget plan included $2.3 billion non-Proposition 98 General Fund to make a supplemental pension payment on behalf of schools and community colleges. Of this amount, $1.6 billion was for the California State Teachers' Retirement System and $660 million was for the California Public Employees' Retirement System. (Nearly all school employees are covered by one of these two pension systems.) At the time, the state estimated that the supplemental payment could reduce district pension costs by roughly 0.3 percent of annual pay over the next few decades. The 2020-21 budget plan repurposes this payment to reduce pension costs by a larger amount over the next two years. Specifically, districts will receive cost savings of approximately 2.2 percent of pay in 2020-21 and 2021-22, but will not experience savings over the following decades.

All of these factors were considered in preparing the Larkspur-Corte Madera School District budget for the 2020-21 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's Business Office at (415) 927-6960.

	Total Governmental Activities
ASSETS	
Deposits and investments	$ 11,223,801
Accounts receivable	3,518,766
Non-depreciable assets	279,448
Depreciable assets	74,800,613
Less accumulated depreciation	(25,590,167)
Total assets	64,232,461
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions	5,820,519
Unamortized power purchase costs	266,000
Deferred amounts on refunding	76,861
Total deferred outflows of resources	6,163,380
LIABILITIES	
Accounts payable	1,760,783
Tax anticipation note	3,000,000
Long-term liabilities other than pensions:	
Portion due or payable within one year	2,218,074
Portion due or payable after one year	60,496,169
Net pension liability	22,035,801
Total liabilities	89,510,827
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions	2,118,924
NET POSITION	
Net investment in capital assets	(5,152,879)
Restricted for:	
Capital projects	5,371,711
Debt service	2,743,174
Categorical Programs	246,350
Unrestricted	(24,442,266)
Total net position	$ (21,233,910)

LARKSPUR-CORTE MADERA SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2020

		Program Revenues			Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:					
Instruction	$ 13,014,802	$ 6,779	$ 2,347,100	$ 1,431,433	$ (9,229,490)
Instruction-Related Services:					
Supervision of instruction	156,954	-	41,491	-	(115,463)
Instructional library, media and technology	319,162	-	2,424	-	(316,738)
School site administration	1,711,612	-	46,269	-	(1,665,343)
Pupil Support Services:					
Home-to-school transportation	28,907	-	4,107	-	(24,800)
Food services	290,692	135,558	125,799	-	(29,335)
All other pupil services	1,092,544	2,260	479,432	-	(610,852)
General Administration Services:					
Data processing services	52,259	-	-	-	(52,259)
Other general administration	2,025,209	70	-	-	(2,025,139)
Plant services	2,119,912	158	92,336	-	(2,027,418)
All other activities	40,413	-	104,751	-	64,338
Community services	-	-	9,883	-	9,883
Interest on long-term debt	2,479,039	-	-	-	(2,479,039)
Other outgo	240,831	-	62,248	-	(178,583)
Depreciation (unallocated)	2,095,230	-	-	-	(2,095,230)
Total Governmental Activities	$ 25,667,566	$ 144,825	$ 3,315,840	$ 1,431,433	(20,775,468)

General Revenues:	
Property taxes	14,409,463
Federal and state aid not restricted to specific purpose	4,595,451
Interest and investment earnings	69,738
Interagency revenues	594
Miscellaneous	1,056,456
Total general revenues	20,131,702
Change in net position	(643,766)
Net position - July 1, 2019	(20,590,144)
Net position - June 30, 2020	$ (21,233,910)

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Balance Sheet – Governmental Funds
June 30, 2020

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	$ 2,932,127	$ 5,297,236	$ 2,743,174	$ 251,264	$ 11,223,801
Accounts receivable	3,478,444	-	-	40,322	3,518,766
Due from other funds	20,679	-	-	-	20,679
Total Assets	$ 6,431,250	$ 5,297,236	$ 2,743,174	$ 291,586	$ 14,763,246
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 862,688	$ 70,141	$ -	$ 46,513	$ 979,342
Due to other funds	-	-	-	20,679	20,679
Tax anticipation note	3,000,000	-	-	-	3,000,000
Total Liabilities	3,862,688	70,141	-	67,192	4,000,021
Fund Balances					
Nonspendable	1,000	-	-	-	1,000
Restricted	178,795	5,227,095	2,743,174	224,394	8,373,458
Assigned	94,476	-	-	-	94,476
Unassigned	2,294,291	-	-	-	2,294,291
Total Fund Balances	2,568,562	5,227,095	2,743,174	224,394	10,763,225
Total Liabilities and Fund Balances	$ 6,431,250	$ 5,297,236	$ 2,743,174	$ 291,586	$ 14,763,246

Total fund balances - governmental funds		$ 10,763,225
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.		
Capital assets relating to governmental activities:	75,080,061	
Accumulated depreciation:	(25,590,167)	
Net:		49,489,894
The net pension liability is not due and payable in the current reporting period, and therefore is not reported as a liability in the fund financial statements.		(22,035,801)
Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of payment for refunded bonds which have been defeased. In the government-wide statements it is recognized as a deferred outflow of resources. The remaining deferred amounts on refunding at the end of the period were:		76,861
In governmental funds, costs associated with the power purchase agreement are recognized as expenditures in the period they are incurred. In the government-wide statements, power purchase costs are amortized over the life of the debt. Unamortized costs included in deferred outflows on the statement of net position are:		266,000
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.		
Deferred outflows of resources	5,820,519	
Deferred inflows of resources	(2,118,924)	3,701,595
Long-term liabilities, including bonds payable, capital leases, and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
General obligation bonds payable	61,778,180	
Other postemployment benefits payable	228,409	
Early Retirement Incentive	604,993	
Compensated absences payable	102,661	(62,714,243)
In government funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:		(781,441)
Total net position - governmental activities		$ (21,233,910)

LARKSPUR-CORTE MADERA SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2020

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	$ 12,541,267	$ -	$ -	$ -	$ 12,541,267
Federal sources	350,419	-	-	116,548	466,967
Other state sources	1,796,825	1,331,078	12,420	7,276	3,147,599
Other local sources	6,511,755	100,355	2,894,491	154,919	9,661,520
Total Revenues	21,200,266	1,431,433	2,906,911	278,743	25,817,353
EXPENDITURES					
Current:					
Instruction	13,401,111	-	-	-	13,401,111
Instruction-Related Services:					
Supervision of instruction	165,111	-	-	-	165,111
Instructional library, media and technology	312,563	-	-	-	312,563
School site administration	1,674,742	-	-	-	1,674,742
Pupil Support Services:					
Home-to-school transportation	28,907	-	-	-	28,907
Food services	1,395	-	-	281,419	282,814
All other pupil services	1,101,047	-	-	-	1,101,047
Ancillary services	32,929	-	-	-	32,929
General Administration Services:					
Data processing services	52,259	-	-	-	52,259
Other general administration	1,808,221	-	-	5,751	1,813,972
Plant services	1,402,182	177,091	-	258,302	1,837,575
Capital outlay	-	334,691	-	19,475	354,166
Intergovernmental transfers	239,581	-	-	-	239,581
Debt service:					
Principal	-	-	1,133,624	-	1,133,624
Interest	-	-	2,609,733	-	2,609,733
Total Expenditures	20,220,048	511,782	3,743,357	564,947	25,040,134
Excess (Deficiency) of Revenues Over (Under) Expenditures	980,218	919,651	(836,446)	(286,204)	777,219
OTHER FINANCING SOURCES (USES)					
All other financing uses	-	-	(1,250)	-	(1,250)
Total Other Financing Sources and Uses	-	-	(1,250)	-	(1,250)
Net Change in Fund Balances	980,218	919,651	(837,696)	(286,204)	775,969
Fund Balances, July 1, 2019	1,588,344	4,307,444	3,580,870	510,598	9,987,256
Fund Balances, June 30, 2020	$ 2,568,562	$ 5,227,095	$ 2,743,174	$ 224,394	$ 10,763,225

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Total net change in fund balances - governmental funds			$ 775,969
Amounts reported for governmental activities in the statement of activities are different because:			
In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period was:			
	Expenditures for capital outlay	324,818	
	Depreciation expense:	(2,095,230)	
	Net:		(1,770,412)
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Expenditures for payment of the liability was:			1,133,624
In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources, including early retirement incentives. This year, expenses incurred for such obligations were:			151,248
Accreted interest on capital appreciation bonds is not recognized as an expenditure in the fund financial statements. However, it is accrued as an expense in the government-wide financial statements in the period that the interest accretes. Accreted interest paid exceeded the amount earned during the year by:			54,934
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized as interest over the life of the debt. The premiums amortized for the period were:			91,826
The amounts paid to the refunded bond escrow agent in excess of the refunded bond at the time of payment are recorded as deferred amounts on the refunding and are amortized to interest expense over the life of the liability.			(13,942)
In governmental funds, power purchase agreement costs are recognized as expenditures in the period they are incurred. In the government-wide statements, agreement costs are amortized over the life of the benefit. The difference between costs recognized in the current period and unamortized costs for the period is:			(16,625)
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period, but owing from the prior period, was:			14,500
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:			(1,052,064)
In the statement of activities, certain operating expenses, compensated absences and early retirement incentives, for example, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The difference between the amounts earned and paid was:			(52,270)
In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:			39,446
Change in net position of governmental activities			$ (643,766)

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2020

	Student Body Funds
ASSETS	
Deposits	$ 13,265
Total assets	$ 13,265
LIABILITIES	
Due to student groups	$ 13,265
Total liabilities	$ 13,265

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Larkspur-Corte Madera 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:

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

Other

The following potential component unit was not included as part of the District's reporting entity because the resources provided to the District did not meet the criteria of being considered "significant" to the District's operations.

1. Larkspur Schools Foundation (SPARK)

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Fund Financial Statements
The fund financial statements provide information about the District's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - *governmental* and *fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Major Governmental Funds
The District maintains the following major governmental funds:

General Fund: This is the chief operating fund for the District. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund. The District also maintains a Deferred Maintenance Fund which does not meet the definition of a Special Revenue Fund as it is not primarily comprised of restricted or committed revenue sources. Because this fund does not meet the definition of a special revenue fund under GASB 54, the activity in the fund is being reported within the General Fund.

County School Facilities Fund: This fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code* sections 15125-15262).

Non-Major Governmental Funds
The District maintains the following non-major governmental funds:

Special Revenue Funds: Special revenue funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* sections 38090 and 38093).

Capital Projects Funds: Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

Building Fund: This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Capital Projects Funds (continued):

Capital Facilities Fund: This fund is used to primarily account separately for moneys received from fees levied on development projects as a condition of approval (*Education Code* sections 17620-17626 and *Government Code* Section 65995 et seq.).

Fiduciary Funds
Fiduciary funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held. The District maintains the following fiduciary funds:

Agency Funds: The District maintains a separate agency fund for each school that operates an Associated Student Body (ASB) Fund, whether it is organized or not.

2. Measurement Focus, Basis of Accounting
The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resource or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The agency fund has no measurement focus and utilizes the accrual basis of accounting for reporting its assets and liabilities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

3. Revenues - Exchange and Non-Exchange Transactions
Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

C. Budgetary Data
The budgetary process is prescribed by provisions of the California *Education Code* and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

D. 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 as of June 30.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents
The District considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

2. Prepaid Items
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Capital Assets
Purchased or constructed capital assets of $17,000 or more are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Buildings and improvements	20-40 years
Improvement of sites	14-20 years
Equipment and vehicles	6-15 years

4. Unearned Revenue
Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

5. Deferred Outflows/Inflows of Resources
In addition to assets, the Statement of Net Position will sometimes report 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 and will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

6. Compensated Absences
The liability for compensated absences reported in the District-wide statements consists of unpaid, accumulated annual leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

7. Postemployment Benefits Other Than Pensions (OPEB)
For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

8. Pensions
For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California State Teachers Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. 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.

9. Fund Balances
The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

9. Fund Balances (continued)

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

10. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Minimum Fund Balance Policy

During the 2010-11 fiscal year, pursuant to GASB Statement No. 54, the District adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted expenditures. The policy requires a Reserve for Economic Uncertainties that meets or exceeds double the requirements of 5 CCR 15443, which require no less than three percent of total General Fund expenditures and other financing uses.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless the governing board has provided otherwise in its commitment or assignment actions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that 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 reported period. Actual results could differ from those estimates.

I. New GASB Pronouncement

In May 2020, the GASB issued Statement No. 95. The primary objective of this Statement is to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update-2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update-2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in *each* pronouncement as originally issued.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Future Accounting Pronouncements

GASB pronouncements which will be effective in future periods, are as follows:

1. In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

   This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

   The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

2. In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

   The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

3. In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and (2) to simplify accounting for interest cost incurred before the end of a construction period.

   This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Future Accounting Pronouncements (continued)

3. (continued)
   This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

   The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

4. In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

   For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

   This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit.

   The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Future Accounting Pronouncements (continued)

5. In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

   This Statement also addresses arrangements – often characterized as leases – that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities.

   Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

   This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

   The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

6. In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

   - The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
   - Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
   - The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* as amended, and No. 74*, Financial Reporting for Postemployment Benefit Plans Other Than Pensions Plans*, as amended, to reporting assets accumulated for postemployment benefits
   - The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Future Accounting Pronouncements (continued)

6. (continued)

   - Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
   - Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
   - Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
   - Terminology used to refer to derivative instruments

   The requirements of this Statement are effective as follows:

   - The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
   - The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
   - The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
   - The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

   Earlier application is encouraged and is permitted by topic.

7. In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates.* Some governments have entered into agreements in which variable payments made or received depending on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

   Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases,* as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable.

   The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Future Accounting Pronouncements (continued)

7. (continued)

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of *reference rate,* as it is used in Statement 53, as amended

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

8. In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

   This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Future Accounting Pronouncements (continued)

8. (continued)
This Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, *Leases,* as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA.

This Statement also provides specific guidance in financial statements prepared using the economic resources measurement focus for a government that is an operator in a PPP that either (1) meets the definition of an SCA or (2) is not within the scope of Statement 87, as amended (as clarified in this Statement).

This Statement also requires a government to account for PPP and non-PPP components of a PPP as separate contracts.

This Statement also requires an amendment to a PPP to be considered a PPP modification, unless the operator's right to use the underlying PPP asset decreases, in which case it should be considered a partial or full PPP termination.

An APA that is related to designing, constructing, and financing a nonfinancial asset in which ownership of the asset transfers by the end of the contract should be accounted for by a government as a financed purchase of the underlying nonfinancial asset. This Statement requires a government that engaged in an APA that contains multiple components to recognize each component as a separate arrangement. An APA that is related to operating or maintaining a nonfinancial asset should be reported by a government as an outflow of resources in the period to which payments relate.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Governmental funds	$ 11,223,801
Fiduciary funds	13,265
Total deposits and investments	$ 11,237,066

Deposits and investments as of June 30, 2020 consist of the following:

Cash on hand and in banks	$ 13,265
Cash in revolving fund	1,000
Investments	11,222,801
Total deposits and investments	$ 11,237,066

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Pooled Funds
In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to 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 County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2020, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

As of June 30, 2020, none of the District's bank balance was exposed to custodial credit risk because it was insured by the FDIC.

Investments - Interest Rate Risk
The District's investment policy does not place limits on investment maturities. The District's Chief Fiscal Officer has fiduciary responsibility for any funds invested outside the county treasury and is subject to prudent investor standards for investment decisions. Maturities of investments held at June 30, 2020, consist of the following:

	Reported Amount	Less Than One Year	One Year Through Five Years	Fair Value Measurement	Rating
Investments:					
County Pool	$ 11,222,801	$ 11,222,801	$ -	uncategorized	N/A

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments - Credit Risk
The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by *State Government Code* Section 53600. At June 30, 2020, all investments were maintained in the county treasury investment pool.

Investments - Concentration of Credit Risk
The District does not place limits on the amount it may invest in any one issuer. At June 30, 2020, the District did not have any investments outside of the county treasury investment pool.

Fair Value Measurements
The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that date if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized – Investments in the Marin County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2020, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal Government:			
Categorical aid programs	$ 253,182	$ 37,790	$ 290,972
State Government:			
LCFF	2,692,240	-	2,692,240
Lottery	31,930	-	31,930
Child Nutrition	-	2,532	2,532
Categorical aid programs	95,161	-	95,161
Local:			
Other local	405,931	-	405,931
Total	$ 3,478,444	$ 40,322	$ 3,518,766

NOTE 4 – INTERFUND TRANSACTIONS

Balances Due To/From Other Funds
Balances due to/from other funds at June 30, 2020, consisted of the following:

Cafeteria Fund due to General Fund for net service contribution	$ 13,691
Capital Facilities Fund due to General Fund for administrative charges	6,988
Total	$ 20,679

NOTE 5 – FUND BALANCES

At June 30, 2020, fund balances of the District's governmental funds were classified as follows:

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Revolving cash	$ 1,000	$ -	$ -	$ -	$ 1,000
Total Nonspendable	1,000	-	-	-	1,000
Restricted:					
Categorical programs	178,795	-	-	67,555	246,350
Capital projects	-	5,227,095	-	156,839	5,383,934
Debt service	-	-	2,743,174	-	2,743,174
Total Restricted	178,795	5,227,095	2,743,174	224,394	8,373,458
Assigned:					
Deferred maintenance program	94,476	-	-	-	94,476
Total Assigned	94,476	-	-	-	94,476
Unassigned:					
Remaining unassigned balances	2,294,291	-	-	-	2,294,291
Total Unassigned	2,294,291	-	-	-	2,294,291
Total	$ 2,568,562	$ 5,227,095	$ 2,743,174	$ 224,394	$ 10,763,225

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance, July 1, 2019	Additions	Retirements	Balance, June 30, 2020
Capital assets not being depreciated:				
Land	$ 279,448	$ -	$ -	$ 279,448
Construction in progress	14,223	-	14,223	-
Total capital assets not being depreciated	293,671	-	14,223	279,448
Capital assets being depreciated:				
Building & improvements	70,662,908	324,818	-	70,987,726
Improvement of sites	3,467,694	14,223	-	3,481,917
Equipment & vehicles	330,970	-	-	330,970
Total capital assets being depreciated	74,461,572	339,041	-	74,800,613
Less accumulated depreciation:				
Buildings & improvements	(20,874,058)	(1,976,925)	-	(22,850,983)
Improvement of sites	(2,402,146)	(77,316)	-	(2,479,462)
Equipment & vehicles	(218,733)	(40,989)	-	(259,722)
Total accumulated depreciation	(23,494,937)	(2,095,230)	-	(25,590,167)
Total capital assets being depreciated, net	50,966,635	(1,756,189)	-	49,210,446
Governmental activities capital assets, net	$ 51,260,306	$ (1,756,189)	$ 14,223	$ 49,489,894

NOTE 7 – TAX ANTICIPATION NOTES

On June 5, 2019, the Board of Trustees approved Tax Anticipation Notes not to exceed $8,040,000 from funds in custody of the Treasurer of the County of Marin for meeting obligations incurred for maintenance purposes for the 2019-20 fiscal year. On June 30, 2020, the District borrowed $3,000,000 from the County of Marin through a promissory tax anticipation note. The note had a maturity date of July 1, 2020 and an interest rate of 3.5%.

NOTE 8 – LONG-TERM DEBT OTHER THAN PENSIONS

Changes in long-term debt for the year ended June 30, 2020, were as follows:

	Balance, July 1, 2019	Additions	Deductions	Balance, June 30, 2020	Amount Due Within One Year
General Obligation Bonds:					
Principal payments	$ 53,945,796	$ -	$ 1,133,624	$ 52,812,172	$ 1,211,080
Accreted interest	7,178,118	661,442	716,376	7,123,184	763,920
Premiums	1,934,650	-	91,826	1,842,824	91,826
Total - Bonds	63,058,564	661,442	1,941,826	61,778,180	2,066,826
Compensated absences	50,391	52,270	-	102,661	-
Early Retirement Incentive	756,241	-	151,248	604,993	151,248
Other postemployment benefits	265,998	8,912	46,501	228,409	-
Total	$ 64,131,194	$ 722,624	$ 2,139,575	$ 62,714,243	$ 2,218,074

Payments for general obligation bonds are made by the Bond Interest and Redemption Fund. Compensated absences, early retirement incentives, and employment benefits will be paid for by the fund for which the employee worked.

A. General Obligation Bonds

Election of 2000
An election was held on June 6, 2000, at which more than two-thirds of the voters in the District authorized the issuance and sale of $21.7 million of general obligation bonds. The bonds are general obligations of the District, and the County is obligated to annually levy ad valorem taxes for the payment of, the interest on, and the principal of the bonds. Bond proceeds were used to finance the construction and acquisition of certain real property and improvements for the District.

2011 General Obligation Refunding Bonds
On January 27, 2011, the District issued $8,135,000 of 2011 General Obligation Refunding Bonds. The bonds consist of $6,900,000 of serial bonds bearing fixed rates ranging from 0.50% to 4.10% with annual maturities from August 2011 through August 2023 and $1,235,000 of term bonds maturing August 2025 bearing fixed rates ranging from 2.0% to 4.25%. The net proceeds of $8,390,131 (after issuance costs of $172,178, plus premium of $218,178 and a $209,131 credit for funds already held by the trustee) were used to advance refund $8,100,000 of the District's outstanding Election of 2000, Series A General Obligation Bonds in addition to paying the costs of issuance associated with the bonds.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the District's liabilities.

NOTE 8 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

A. General Obligation Bonds (continued)

2011 General Obligation Refunding Bonds (continued)
Amounts paid to the refunded bond escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred charges on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. At June 30, 2020, deferred charges on refunding of $76,861 remain to be amortized. The principal balance on the defeased debt was paid in full in February 2011.

Election of 2011
On November 8, 2011, an election was held at which registered voters in the District approved by more than 55% of the votes a measure (Measure A), which authorized the District to issue general obligation bonds in the maximum aggregate amount of $26,000,000.

Election of 2014
On June 3, 2014, an election was held at which registered voters in the District approved by more than 55% of the votes a measure (Measure D), which authorizes the District to issue general obligation bonds in the maximum aggregate amount of $19,000,000.

A summary of outstanding general obligation bonds issued is presented below:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2019	Additions	Deductions	Balance, June 30, 2020
2000A	9/13/2000	8/1/2025	4.5%-5.8%	$ 18,000,000	$ 2,245,981	$ -	$ 353,624	$ 1,892,357
2000B	9/1/2005	8/1/2030	3.5%-4.8%	3,699,815	2,999,815	-	-	2,999,815
2011Ref	1/27/2011	8/1/2025	2.0%-4.25%	8,135,000	4,055,000	-	535,000	3,520,000
2012A	2/23/2012	8/1/2042	2.0%-4.25%	26,000,000	25,700,000	-	180,000	25,520,000
2014A	10/14/2014	8/1/2044	3.0%-8.0%	19,000,000	18,945,000	-	65,000	18,880,000
				$ 74,834,815	$ 53,945,796	$ -	$ 1,133,624	$ 52,812,172
				Accreted Interest				
				2000A	$ 4,403,486	$ 372,594	$ 716,376	$ 4,059,704
				2000B	2,774,632	288,848	-	3,063,480
				Total	$ 7,178,118	$ 661,442	$ 716,376	$ 7,123,184
				Premiums				
				2011R	$ 94,545	$ -	$ 14,545	$ 80,000
				2012A	1,087,707	-	48,343	1,039,364
				2014A	752,398	-	28,938	723,460
				Total	$ 1,934,650	$ -	$ 91,826	$ 1,842,824

NOTE 8 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

A. General Obligation Bonds (continued)

The annual requirements to amortize all general obligation bonds payable outstanding as of June 30, 2020, were as follows:

	Current Interest Bonds		Capital Appreciation Bonds		Total Bonds		
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Total
2020-21	$ 870,000	$ 1,861,656	$ 341,080	$ 763,920	$ 1,211,080	$ 2,625,576	$ 3,836,656
2021-22	970,000	1,821,456	333,138	811,862	1,303,138	2,633,318	3,936,456
2022-23	1,080,000	1,775,656	324,986	860,014	1,404,986	2,635,670	4,040,656
2023-24	1,190,000	1,723,956	307,627	8,823,733	1,497,627	10,547,689	12,045,316
2024-25	1,315,000	1,665,294	297,277	922,723	1,612,277	2,588,017	4,200,294
2025-30	5,900,000	7,575,359	2,751,216	5,833,784	8,651,216	13,409,143	22,060,359
2030-35	8,810,000	6,295,256	536,848	1,298,152	9,346,848	7,593,408	16,940,256
2035-40	13,530,000	4,235,856	-	-	13,530,000	4,235,856	17,765,856
2040-45	14,255,000	1,208,088	-	-	14,255,000	1,208,088	15,463,088
Total	$ 47,920,000	$ 28,162,577	$ 4,892,172	$ 19,314,188	$ 52,812,172	$ 47,476,765	$ 100,288,937

B. Early Retirement Incentive

The District has established a supplemental early retirement incentive program (SERP) whereby certain qualified employees may retire early and receive a portion of their salary paid out as an annuity. The total future payments owing at June 30, 2020, for these obligations are shown below.

Fiscal Year	Premium
2020-21	$ 151,248
2021-22	151,248
2022-23	151,248
2023-24	151,249
Total	$ 604,993

C. Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2020, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

Pension Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 126,401	$ -	$ -	$ 6,911
MPP Program	102,008	-	-	(2,512)
Total	$ 228,409	$ -	$ -	$ 4,399

NOTE 8 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

C. Other Postemployment Benefits (OPEB) Liability (continued)

The details of each plan are as follows:

District Plan

Plan Description
The District's single-employer defined benefit OPEB plan provides OPEB for eligible certificated, classified, and management employees of the District. The authority to establish and amend the benefit terms and financing requirements are governed by collective bargaining agreements with plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Certificated: Employees become eligible for a District contribution of $250/month towards retiree health based on the following eligibility conditions and benefit duration:

Date of Hire	Minimum Age/Service	Benefits Paid For
Before 11/1/1979	55/10	10 years
11/1/1979 - 10/31/1989	55/10	10 years but not beyond age 65
11/1/1989 - 10/31/1995	55/10	5 years but not beyond age 65
11/1/1995 - 6/30/2000	55/15	5 years but not beyond age 65
After 6/30/2000	Not eligible	Not applicable

Classified, Administrative and Confidential: Employees become eligible for a District contribution of $250/month towards retiree health based on the following eligibility conditions and benefits duration:

Date of Hire	Minimum Age/Service	Benefits Paid For
Before 6/30/2001	55/10	10 years but not beyond age 65
After 6/30/2001	Not eligible	Not applicable

Retirees may remain on the District's health plans or receive reimbursement for outside coverage upon providing satisfactory proof of eligible expenses. One retired Superintendent is receiving the active cap towards medical insurance until age 65, under an arrangement that is not expected to be repeated in the future.

Employees Covered by Benefit Terms
At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Active employees	9
Total	18

Total OPEB Liability
The District's total OPEB liability of $126,401 for the Plan was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

NOTE 8 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

C. Other Postemployment Benefits (OPEB) Liability (continued)

District Plan (continued)

Actuarial Assumptions and Other Inputs
The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2019
Inflation	2.25 percent
Salary increases	3.00 percent
Healthcare cost trend rates	6.00 percent for 2019-20, decreasing to 4.50 percent for 2022-23 and after
Retirees' share of benefit-related costs	Retirees pay the balance of the premium after the District percentage that depends on classification, year of hire, and years of service at retirement.

Discount Rate
The discount rate of 2.20% was based on Bond Buyer 20-Bond General Obligation Index.

Mortality Rates
Mortality rates were based on a generational projection based on 100% of scale MP-2016 for years 2014 through 2029, 50% of MP-2016 for years 2030 through 2049, and 20% of MP-2016 for 2050 and thereafter.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2019	$ 161,478
Changes for the year:	
Service cost	885
Interest	3,044
Differences between expected and actual experience	(13,966)
Changes of assumptions	4,983
Benefit payments	(30,023)
Net changes	(35,077)
Balance at June 30, 2020	$ 126,401

NOTE 8 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

C. Other Postemployment Benefits (OPEB) Liability (continued)

District Plan (continued)

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

Discount Rate	OPEB Liability
1% decrease	$ 129,116
Current discount rate	$ 126,401
1% increase	$ 123,715

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

Healthcare Cost Trend Rate	OPEB Liability
1% decrease	$ 126,087
Current trend rate	$ 126,401
1% increase	$ 126,717

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
The average of expected remaining lives of 1.1712 was rounded to 1.0 for the purpose of determining annual expense and deferral amounts. For the year ended June 30, 2020, the District recognized OPEB expense of $6,911. At June 30, 2020, the District reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

NOTE 8 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

C. Other Postemployment Benefits (OPEB) Liability (continued)

Medicare Premium Payment (MPP) Program

Plan Description
The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Medicare Premium Payment Program. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/actuarial-financial-and-investor-information.

Benefits Provided
The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the DB Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. The MPP Program is closed to new entrants as members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2019, 5,744 retirees participated in the MPP Program. The number of retired members who will participate in the program in the future is unknown because eligibility cannot be predetermined.

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly employer contributions. In accordance with California Education Code section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Total OPEB Liability
At June 30, 2020, the District reported a liability of $102,008 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2019, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018 and rolling forward the total OPEB liability to June 30, 2019. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	Percentage Share of MPP Program		
	Fiscal Year Ending June 30, 2020	**Fiscal Year Ending June 30, 2019**	**Change Increase/ (Decrease)**
Measurement Date	June 30, 2019	June 30, 2018	
Proportion of the Net OPEB Liability	0.027392%	0.027306%	0.000086%

For the year ended June 30, 2020, the District reported OPEB expense of $(2,512).

NOTE 8 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

C. Other Postemployment Benefits (OPEB) Liability (continued)

Medicare Premium Payment (MPP) Program (continued)

Actuarial Assumptions and Other Inputs
The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2019
Valuation Date	June 30, 2018
Experience Study	July 1, 2010, through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.00%
Healthcare Cost Trend Rates	3.70% for Medicare Part A, and 4.10% for Medicare Part B

In addition, assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 380, or an average of 0.23% of the potentially eligible population (165,422).

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP–2016) table issued by the Society of Actuaries.

Discount Rate
The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2019, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the California State Treasurer.

The discount rate used to measure the total OPEB liability was 3.50%. The MPP Program is funded on a pay-as-you-go basis as previously noted, and under the pay-as-you-go method, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50%, which is the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2019, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.37% from 3.87% as of June 30, 2018.

NOTE 8 – LONG-TERM DEBT OTHER THAN PENSIONS (continued)

C. Other Postemployment Benefits (OPEB) Liability (continued)

Medicare Premium Payment (MPP) Program (continued)

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

Discount Rate	MPP OPEB Liability
1% decrease	$ 111,314
Current discount rate	$ 102,008
1% increase	$ 93,452

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates
The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

Medicare Cost Trend Rates	MPP OPEB Liability
1% decrease	$ 92,953
Current trend rate	$ 102,008
1% increase	$ 112,386

NOTE 9 – PENSION PLANS

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

For the fiscal year ended June 30, 2020, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 16,006,860	$ 4,054,685	$ 1,949,502	$ 2,065,718
CalPERS	6,028,941	1,765,834	169,422	1,352,207
Total	$ 22,035,801	$ 5,820,519	$ 2,118,924	$ 3,417,925

NOTE 9 – PENSION PLANS (continued)

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

Plan Description
The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/actuarial-financial-and-investor-information.

Benefits Provided
The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and non-employer contributing entity to the STRP. The District contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	17.10%	17.10%
Required State Contribution Rate	10.328%	10.328%

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Contributions

Required member District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately $2.2 billion in fiscal year 2018–19 from the state's General Fund as contributions to CalSTRS on behalf of employers. The bill requires portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2019–20 and 2020–21, respectively. The remaining portion of the contribution is allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program.

The contribution rates for each program for the year ended June 30, 2020, are presented above, and the District's total contributions were $1,421,176.

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

At June 30, 2020, 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 net pension liability	$ 16,006,860
State's proportionate share of the net pension liability associated with the District	8,732,811
Total	$ 24,739,671

The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2020	**Fiscal Year Ending June 30, 2019**	**Change Increase/ (Decrease)**
Measurement Date	June 30, 2019	June 30, 2018	
Proportion of the Net Pension Liability	0.017723%	0.017364%	0.000359%

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
For the year ended June 30, 2020, the District recognized pension expense of $2,065,718. In addition, the District recognized pension expense and revenue of $238,927 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,421,176	$ -
Net change in proportionate share of net pension liability	531,719	844,994
Difference between projected and actual earnings on pension plan investments	36,864	653,453
Changes of assumptions	2,024,517	-
Differences between expected and actual experience	40,409	451,055
Total	$ 4,054,685	$ 1,949,502

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 7 years.

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

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	$ 595,743	$ 382,986
2022	595,743	811,001
2023	595,743	388,835
2024	633,139	256,974
2025	89,746	56,360
Thereafter	123,395	53,346
Total	$ 2,633,509	$ 1,949,502

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Methods and Assumptions
The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Experience Study	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price of Inflation	2.75%
Wage Growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP–2016) table issued by the Society of Actuaries.

The long-term investment 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 (Pension Consulting Alliance) as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study.

For each future valuation, CalSTRS' independent consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	47%	4.8%
Fixed Income	12%	1.3%
Real Estate	13%	3.6%
Private Equity	13%	6.3%
Risk Mitigating Strategies	9%	1.8%
Inflation Sensitive	4%	3.3%
Cash/Liquidity	2%	(0.4%)

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming that contributions, benefit payments and administrative expenses 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.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 23,835,540
Current discount rate (7.10%)	16,006,860
1% increase (8.10%)	9,515,394

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS pursuant to Sections 22954 and 22955.1 of the Education Code and Public Resources Code Section 6217.5. In addition, for the 2018-19 fiscal year, California Senate Bill No. 90 (SB 90) was signed into law on June 27, 2019, and appropriated supplemental contributions. Under accounting principles generally accepted in the United States of America, these amounts are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is $1,218,142.

B. California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Schools Pool Accounting Report. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Schools Pool (CalPERS)	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0 – 2.5%	2.0 – 2.5%
Required Employee Contribution Rate	7.00%	7.00%
Required Employer Contribution Rate	19.721%	19.721%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2020 are presented above, and the total District contributions were $705,761.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $6,028,941. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Change Increase/ (Decrease)
Measurement Date	June 30, 2019	June 30, 2018	
Proportion of the Net Pension Liability	0.020687%	0.020539%	0.000148%

For the year ended June 30, 2020, the District recognized pension expense of $1,352,207. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 705,761	$ -
Net change in proportionate share of net pension liability	264,087	42,455
Difference between projected and actual earnings on pension plan investments	71,047	126,967
Changes of assumptions	286,996	-
Differences between expected and actual experience	437,943	-
Total	$ 1,765,834	$ 169,422

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	$ 597,954	$ 38,863
2022	274,804	113,850
2023	155,703	16,709
2024	30,822	-
2025	790	-
Thereafter	-	-
Total	$ 1,060,073	$ 169,422

Actuarial Methods and Assumptions
Total pension liability for the Schools Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2018
Experience Study	1997-2015
Actuarial Cost Method	Entry age normal
Discount Rate	7.15%
Consumer Price of Inflation	2.50%
Wage Growth	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

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

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Actuarial Methods and Assumptions (continued)
The target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10	Real Return Years 11+
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	(0.92%)

Discount Rate
The discount rate used to measure the total pension liability was 7.15%. The discount rate is not adjusted for administrative expenses. The fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for the pension plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 8,690,322
Current discount rate (7.15%)	6,028,941
1% increase (8.15%)	3,821,142

C. Social Security
As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use the Social Security as its alternative plan.

D. Payables to the Pension Plans
At June 30, 2020, the District reported payables of $1,570 and $11,959 for the outstanding amount of legally required contributions to the CalSTRS and CalPERS pension plans, respectively, for the fiscal year ended June 30, 2020.

NOTE 10 – JOINT VENTURES

The Larkspur-Corte Madera School District participates in two joint ventures under separate joint powers agreements (JPA), with the Marin Schools Insurance Authority (MSIA) and the Marin Pupil Transportation Agency (MPTA). The relationship between the Larkspur-Corte Madera School District and the JPA's is such that the JPA's are not component units of the District for financial reporting purposes.

The Marin Schools Insurance Authority arranges for and provides workers' compensation, property and liability and health insurance for its member school districts. The JPA is governed by a board consisting of a representative from each member district. The governing board controls the operations of the JPA independent of any influence by the member districts beyond their representation on the governing board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPA.

The Marin Pupil Transportation Agency provides transportation services for students within member district borders through state entitlements and fees paid by member districts. The JPA is governed by a board consisting of a representative from each member district. The governing board controls the operations of the JPA independent of any influence by the member districts beyond their representation on the governing board. Audited financial statements are generally available from the respective entities.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants
The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

B. Litigation
The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2020.

C. Long-Term Utility Commitment
On June 17, 2015, the District's board of trustees approved entering into a 20-year power purchase agreement with SH3 Solar, LLC for the delivery of electric power at a set rate. The cost of the power purchase agreement was $350,000. As of June 30, 2020, the unamortized cost of the agreement of $266,000 is shown as a deferred outflow on the Statement of Net Position.

D. Construction Commitments
As of June 30, 2020, the District had no commitments with respect to unfinished capital projects.

E. Impact of COVID-19
On March 13, 2020, a presidential emergency was declared due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. The declaration made federal disaster assistance available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to the State of California to supplement the local recovery efforts by the K-12 education community. On that same date, Governor Newsom issued Executive Order N-26-20, guaranteeing continued State funding, holding LEAs harmless from several regulations, and providing guidelines for LEAs to operate under a "distance learning" environment.

NOTE 11 – COMMITMENTS AND CONTINGENCIES (continued)

E. Impact of COVID-19 (continued)

In response, the District announced the closing of all schools in mid-March. With nearly all districts in California shut down to stem the spread of COVID-19, officials statewide hastily put in place plans to deliver "grab and go" meals with minimal contact between cafeteria staff, volunteers and families in need. In addition, the District worked to implement distance learning for all students for the remainder of the 2019-20 school year.

A companion bill to Executive Order N-26-20, Senate Bill 117 changed the method used by the District to calculate average daily attendance (ADA) for both the P-2 and Annual period apportionment to include all full school months from July 1, 2019 to February 29, 2020. As events unfold and changes are made on a daily basis, the future impacts of COVID-19 on the District's operations are not fully known at this time.

NOTE 12 – RISK MANAGEMENT

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2020, the District participated in the MSIA public entity risk pool for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2020, the District participated in the MSIA JPA for workers' compensation, with excess coverage provided by the Schools Excess Liability Fund (SELF) public entity risk pool.

Employee Medical Benefits

The District provides employee medical, dental and basic life insurance benefits through the MSIA public entity risk pool.

Required Supplementary Information

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LARKSPUR-CORTE MADERA SCHOOL DISTRICT

Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance With
	Original	Final	Actual (Budgetary Basis)	Final Budget - Pos (Neg)
Revenues				
LCFF sources	$ 12,766,166	$ 12,541,268	$ 12,541,267	$ (1)
Federal sources	292,224	431,193	350,419	(80,774)
Other State sources	1,274,634	2,462,975	1,796,825	(666,150)
Other local sources	6,407,330	5,791,043	6,480,859	689,816
Total Revenues	20,740,354	21,226,479	21,169,370	(57,109)
Expenditures				
Current:				
Certificated Salaries	9,698,852	9,871,967	9,734,759	137,208
Classified Salaries	2,698,820	2,552,647	2,480,656	71,991
Employee Benefits	5,308,240	5,642,408	5,313,625	328,783
Books and Supplies	433,569	602,458	425,060	177,398
Services and Other Operating Expenditures	2,132,040	2,180,183	2,009,481	170,702
Other outgo	176,201	271,826	239,581	32,245
Total Expenditures	20,447,722	21,121,489	20,203,162	918,327
Excess (Deficiency) of Revenues Over (Under) Expenditures	292,632	104,990	966,208	861,218
Fund Balances, July 1, 2019	1,507,878	1,507,878	1,507,878	-
Fund Balances, June 30, 2020	$ 1,800,510	$ 1,612,868	2,474,086	$ 861,218
Other Fund Balances included in the Statement of Revenues, Expenditures and Changes in Fund Balances:				
Deferred Maintenance Fund			94,476	
Total reported General Fund balance on the Statement of Revenues, Expenditures and Changes in Fund Balances:			$ 2,568,562	

LARKSPUR-CORTE MADERA SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2020

Last Ten Fiscal Years*

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
CalSTRS						
District's proportion of the net pension liability	0.0177%	0.0174%	0.0171%	0.0170%	0.0190%	0.0190%
District's proportionate share of the net pension liability	$ 16,006,860	$ 15,959,094	$ 15,793,517	$ 13,749,770	$ 12,791,560	$ 11,103,030
State's proportionate share of the net pension liability associated with the District	8,732,811	9,137,328	9,343,311	7,828,651	6,765,307	6,704,556
Totals	$ 24,739,671	$ 25,096,422	$ 25,136,828	$ 21,578,421	$ 19,556,867	$ 17,807,586
District's covered-employee payroll	$ 9,577,574	$ 9,285,198	$ 9,079,801	$ 8,798,593	$ 8,514,022	$ 8,276,594
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	167.13%	171.88%	173.94%	156.27%	150.24%	134.15%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
CalPERS						
District's proportion of the net pension liability	0.0207%	0.0205%	0.0189%	0.0190%	0.0197%	0.0197%
District's proportionate share of the net pension liability	$ 6,028,941	$ 5,476,411	$ 4,514,923	$ 3,752,512	$ 2,903,800	$ 2,236,430
District's covered-employee payroll	$ 2,856,815	$ 2,726,116	$ 2,417,720	$ 2,283,430	$ 2,190,298	$ 2,064,796
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	211.04%	200.89%	186.74%	164.34%	132.58%	108.31%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%

Notes to Schedule:

* *This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

Last Ten Fiscal Years*

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
CalSTRS						
Contractually required contribution	$ 1,421,176	$ 1,559,229	$ 1,339,854	$ 1,142,239	$ 944,089	$ 756,045
Contributions in relation to the contractually required contribution	1,421,176	1,559,229	1,339,854	1,142,239	944,089	756,045
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 8,310,968	$ 9,577,572	$ 9,285,198	$ 9,079,801	$ 8,798,593	$ 8,514,022
Contributions as a percentage of covered-employee payroll	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS						
Contractually required contribution	$ 705,761	$ 515,998	$ 423,393	$ 335,773	$ 270,518	$ 257,820
Contributions in relation to the contractually required contribution	705,761	515,998	423,393	335,773	270,518	257,820
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 3,578,728	$ 2,856,816	$ 2,726,116	$ 2,417,720	$ 2,283,430	$ 2,190,298
Contributions as a percentage of covered-employee payroll	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%

* *This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2020

Last Ten Fiscal Years*

	2020	2019	2018
Total OPEB liability			
Service cost	$ 885	$ 2,065	$ 2,099
Interest	3,044	6,685	7,204
Changes of benefit terms	-	-	104
Differences between expected and actual experience	(13,966)	(5,676)	-
Changes of assumptions or other inputs	4,983	1,962	(1,426)
Benefit payments	(30,023)	(31,500)	(36,000)
Net change in total OPEB liability	(35,077)	(26,464)	(28,019)
Total OPEB liability - beginning	161,478	187,942	215,961
Total OPEB liability - ending	$ 126,401	$ 161,478	$ 187,942
Covered-employee payroll	$ 12,241,691	$ 16,656,542	$ 16,171,400
Total OPEB liability as a percentage of covered-employee payroll	1.03%	0.97%	1.16%

Notes to Schedule:

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

Last Ten Fiscal Years*

	2019	**2018**	**2017**
District's proportion of net OPEB liability	0.0274%	0.0273%	0.0272%
District's proportionate share of net OPEB liability	$ 102,008	$ 104,520	$ 114,352
Covered-employee payroll	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	0.40%	0.01%

Notes to Schedule:

As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the *Governmental Accounting Standards Board* and provisions of the *California Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoptions with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Change in benefit terms – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

***Change of assumptions* -** There were no changes in economic assumptions since the previous valuations for either CalSTRS or CalPERS.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the average working life. The discount rate was changed from 3.5% to 2.2% in the most recent valuation.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
This schedule presents information on the District's proportionate share of the net OPEB liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – The discount rate was changed from 3.87 percent to 3.50 percent since the previous valuation.

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Supplementary Information

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The Larkspur-Corte Madera School District was established in 1895. The District operates two elementary schools and one middle school, and serves the Corte Madera and Larkspur communities in Marin County, California. There were no changes to the District's boundaries during the year.

BOARD OF TRUSTEES

Member	Office	Term Expires
Jill Sellers	President	December, 2020
Katherine Chan	Vice President	December, 2022
Monica Canas	Clerk	December, 2022
Sasha Morozoff	Trustee	December, 2020
Sarah Mueller	Trustee	December, 2020

DISTRICT ADMINISTRATORS

Dr. Brett Geithman,
Superintendent

Paula Rigney,
Chief Business Official

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Schedule of Average Daily Attendance
For the Fiscal Year Ended June 30, 2020

	Second Period Report Certificate No. C336180E	Annual Report Certificate No. ADE2C660
Regular & Extended Year ADA:		
Grades TK-3	664.58	664.58
Grades 4-6	480.91	480.91
Grades 7-8	332.01	332.01
Total Regular & Extended Year ADA	1,477.50	1,477.50
Special Education, Nonpublic, Nonsectarian Schools:		
Grades 4-6	3.24	3.24
Total Special Education, Nonpublic, Nonsectarian Schools	3.24	3.24
Total ADA	1,480.74	1,480.74

LARKSPUR-CORTE MADERA SCHOOL DISTRICT
Schedule of Instructional Time
For the Fiscal Year Ended June 30, 2020

Grade Level	Required	2019-20 Offered Minutes	Number of Days Traditional Calendar	Status
Kindergarten	36,000	52,813	180	Complied
Grade 1	50,400	56,925	180	Complied
Grade 2	50,400	56,925	180	Complied
Grade 3	50,400	56,925	180	Complied
Grade 4	54,000	56,925	180	Complied
Grade 5	54,000	56,925	180	Complied
Grade 6	54,000	61,984	180	Complied
Grade 7	54,000	61,984	180	Complied
Grade 8	54,000	61,984	180	Complied

See accompanying note to supplementary information.

LARKSPUR-CORTE MADERA SCHOOL DISTRICT

Schedule of Financial Trends and Analysis
For the Fiscal Year Ended June 30, 2020

General Fund	(Budget) 2021 [2]	2020	2019	2018
Revenues and other financing sources	$ 20,613,259	$ 21,169,370	$ 21,167,245	$ 19,463,022
Expenditures	20,332,087	20,203,162	21,243,054	19,967,532
Other uses and transfers out	-	-	77,000	171,513
Total outgo	20,332,087	20,203,162	21,320,054	20,139,045
Change in fund balance (deficit)	281,172	966,208	(152,809)	(676,023)
Ending fund balance	$ 2,755,258	$ 2,474,086	$ 1,507,878	$ 1,660,687
Available reserves [1]	$ 2,576,463	$ 2,294,291	$ 1,266,555	$ 1,520,888
Available reserves as a percentage of total outgo	12.7%	11.4%	5.9%	7.6%
Total long-term debt	$ 82,531,970	$ 84,750,044	$ 85,566,699	$ 84,874,940
Average daily attendance at P-2	N/A	1,481	1,489	1,491

The General Fund balance has increased by $813,399 over the past two years. The fiscal year 2020-21 adopted budget projects an increase of $281,172. For a district of this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating deficit in two of the past three years, but anticipates incurring an operating surplus during the 2020-21 fiscal year. Long-term debt has decreased by $124,896 over the past two years.

Average daily attendance has decreased by 10 over the past two years. No ADA will be reported during the 2020-21 fiscal year.

[1] Available reserves consist of all unassigned fund balances in the General Fund.

[2] Revised Final Budget September, 2020.

There were no differences between the Annual Financial and Budget Report and the Audited Financial Statements in any funds.

NOTE 1 – PURPOSE OF SCHEDULES

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

Schedule of Instructional Time
The District has participated in the Incentives for Longer Instructional Day and Longer Instructional Year. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with Article 8 (commencing with Section 46200) of Chapter 2 Part 26 of the *Education Code*. The instructional time presented in this schedule includes the days that the District was closed due to the COVID-19 pandemic as well as three emergency closure days in October for which the District received an approve waiver.

Schedule of Financial Trends and Analysis
This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual financial report to the audited financial statements.

Other Independent Auditors' Reports

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Larkspur-Corte Madera School District
Larkspur, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Larkspur-Corte Madera School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Larkspur-Corte Madera School District's basic financial statements, and have issued our report thereon dated December 29, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Larkspur-Corte Madera 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA

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Purpose of this Report

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

Nigro + Nigro, PC.

Murrieta, California
December 29, 2020

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Larkspur-Corte Madera School District
Larkspur, California

Report on State Compliance
We have audited Larkspur-Corte Madera School District's compliance with the types of compliance requirements described in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of the Larkspur-Corte Madera School District's state government programs as noted on the following page for the fiscal year ended June 30, 2020.

Management's Responsibility
Management is responsible for compliance with state laws, regulations, and the terms and conditions of its State programs.

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of Larkspur-Corte Madera School District's state programs based on our audit of the types of compliance requirements referred to on the following page. 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 *2019-20 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 types of compliance requirements referred to on the following page that could have a direct and material effect on a state program occurred. An audit includes examining, on a test basis, evidence about Larkspur-Corte Madera 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 state program. However, our audit does not provide a legal determination of Larkspur-Corte Madera School District's compliance.

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the State laws and regulations applicable to the following items:

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No (see below)
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes

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Description	Procedures Performed
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

We did not perform testing for independent study because the ADA was under the level that requires testing.

Unmodified Opinion on Compliance with State Programs

In our opinion, Larkspur-Corte Madera School District complied, in all material respects, with the types of compliance requirements referred to above for the year ended June 30, 2020.

Nigro + Nigro, PC.

Murrieta, California
December 29, 2020

Findings and Recommendations

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SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

The District expended less than $750,000 in federal awards during the year; therefore, a Single Audit pursuant to Uniform Guidance was not performed.

State Awards

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

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.* Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

Five Digit Code	AB 3627 Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no financial statement findings in 2019-20.

SECTION III - FEDERAL AWARD FINDINGS AND RECOMMENDATIONS

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

The District expended less than $750,000 in Federal awards in 2019-20, therefore, a Single Audit pursuant to Uniform Guidance was not performed.

SECTION IV - STATE AWARD FINDINGS AND RECOMMENDATIONS

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs in 2019-20.

Original Finding No.	Finding	Code	Recommendation	Current Status
Finding 2019-001: Instructional Time, Instructional Day	Pursuant to Education Code Section 46114(b), the minimum school day in grades 4, 5, 6, 7, and 8 in elementary schools may be computed by determining the number of minutes of attendance in any 10 consecutive schooldays and dividing that number by 10. If the resulting quotient is 240 or more, the pupils shall be deemed to have complied with Section 46113, even if the number of minutes attended in any one school day is less than 240, but not less than 180 minutes. Education Code Section 46200 stipulates a penalty for fewer than 180 days of instruction. The District did not meet the instructional minute requirements at one site for two days, which reduced the number of instructional days to 177 for eighth grade (two days were as a result of this finding, one day was due to an emergency closure for which the district received an approved waiver). The District did comply with the minimum number of instructional minutes for the entire year in that grade.	40000	We recommend that the District review the annual school calendar and daily instructional minutes to ensure it meets the requirements of Education Code 46200 within the instructional day requirements of 46114.	Implemented.
Finding 2019-002: CALPADS Unduplicated Pupil Count	Supplemental and concentration grant amounts are calculated based on the percentage of "unduplicated pupils" enrolled in the LEA on Census Day (first Wednesday in October). The percentage equals: • Unduplicated count of pupils who (1) are English learners, (2) meet income or categorical eligibility requirements for free or reduced-price meals under the National School Lunch Program, or (3) are foster youth. "Unduplicated count" means that each pupil is counted only once even if the pupil meets more than one of these criteria (*EC* sections 2574(b)(2) and 42238.02(b)(1)).	40000	We recommend that the District implement a procedure to review the CALPADS information prior to the report's submission to the California Department of Education.	Implemented.

Original Finding No.	Finding	Code	Recommendation	Current Status
Finding 2019-002: CALPADS Unduplicated Pupil Count (continued)	• Divided by total enrollment in the LEA (*EC* sections 2574(b)(1) and 42238.02(b)(5)). All pupil counts are based on Fall 1 certified enrollment reported in the CALPADS as of Census Day. During our testing of the students who were reported as English learners on the CALPADS 1.17 and 1.18 reports, we noted one student who was classified as an English learner on these reports but had been reclassified as English proficient prior to the census date but was not reclassified in CALPADS.			

To the Board of Trustees
Larkspur-Corte Madera School District
Larkspur, California

In planning and performing our audit of the basic financial statements of Larkspur-Corte Madera School District for the year ending June 30, 2020, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted matters that are an opportunity for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 29, 2020, on the financial statements of Larkspur-Corte Madera School District.

ASSOCIATED STUDENT BODY (ASB) FUNDS

Observation: We noted that the ASB bookkeeper is not submitting financial statements to the District Office on a periodic basis. Financial statement review by the District office is an important oversight activity.

> ***Recommendation:*** We recommend that periodic financial statements be prepared and submitted to the District office on a monthly basis for review and to ensure proper oversight.

Observation*:* In our test of cash disbursements, we noted that all three disbursements selected in our sample were not approved by the student representative, the District representative and/or the ASB advisor until after the expenditures had been incurred. The signatures indicate these approvals are being gained prior to payment, but not prior to initiating the related purchase. Furthermore, for one of the three disbursements the signature of the advisor was missing. Education Code Section 48933(b) requires all expenditures from ASB funds be authorized by a student representative, an advisor, and a district representative (usually a principal or vice-principal) prior to disbursing the funds. As a "best practice", approval by required parties should be obtained before the actual commitment to purchase the items in order to ensure the expense is a proper use of student-body funds and falls within budgetary guidelines.

> ***Recommendation:*** We recommend that the site be re-trained on appropriate procedures for disbursements and adopt a procedure for compliance with Education Code in obtaining the required approvals.

Observation*:* During our test of expenditures, we noted that a second authorized signature on the check is not required. Requiring two signatures is an important internal control due to the inherent lack of segregation of duties within the ASB operations.

> ***Recommendation:*** We recommend that all expenditures be required to have two signatures on each check in order to prevent the misuse of ASB funds.

We will review the status of the current year comments during our next audit engagement.

Nigro + Nigro, PC.

Murrieta, California
December 29, 2020

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APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Disclosure Undertaking") is executed and delivered by Larkspur-Corte Madera School District (the "District") as of March 11, 2021 in connection with the execution and delivery of its 2021 General Obligation Refunding Bonds (2000 Election and 2011 Election) Series A (Forward Delivery) and 2021 General Obligation Refunding Bonds (2011 Election and 2014 Election) Series B (Federally Taxable) (collectively, the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the Board of Trustees of the District on February 10, 2021 (the "Resolution"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution.

In consideration of the execution and delivery of the Bonds by the District and the purchase of such Bonds by the Underwriter described below, the District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the District for the benefit of the Bondholders and in order to assist Raymond James & Associates, Inc. (the "Underwriter") in complying with Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolution, 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 4 and 5 of this Disclosure Undertaking.

"Bondholder" or "Holder" means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" shall initially mean Fieldman, Rolapp & Associates, Inc. dba Applied Best Practices. The District may appoint an alternate or successor dissemination agent, designated in writing by the Superintendent or Chief Business Official (or otherwise by the District), which Dissemination Agent has evidenced its acceptance in writing.

"Listed Event" means any of the events listed in Section 6 of this Disclosure Undertaking.

"MSRB" shall mean the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access ("EMMA") website located at http://emma.msrb.org, or any other entity designated or authorized by the Commission.

SECTION 3. CUSIP Numbers and Final Official Statement. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated February 23, 2021.

SECTION 4. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent (if other than the District), not later than ninth months after the end of the District's fiscal year (currently ending June 30), commencing on or prior to March 31, 2022 with the report for the fiscal year ending June 30, 2021, to provide to the MSRB, in a format prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 5 of this Disclosure Undertaking. As of the date of this Certificate, the format prescribed by the MSRB is the Electronic Municipal Market Access system. Information regarding requirement for submissions to EMMA is available at http://emma.msrb.org.

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 5 of this Disclosure Undertaking; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report. If the District does not have audited financial statements available when it submits the relevant Annual Report, it shall submit unaudited financial statements, as described in Section 5(a) below.

(b) Not later than 15 Business Days prior to the filing date required in paragraph (a) above for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in paragraph (a) above, the District shall send a notice in a timely manner to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent (if other than the District) shall:

(i) determine each year prior to the date for providing the Annual Report the format for filing with the MSRB; and

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

SECTION 5. Content of Annual Report. The District's Annual Report shall contain or incorporate by reference the following:

(a) Financial information including the general purpose financial statements of the District for the preceding fiscal year, prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. If audited financial information is not available by the time the Annual Report is required to be filed pursuant to Section 4(a) hereof, the financial information included in the Annual Report may be unaudited, and the District will provide audited financial information to the MSRB as soon as practical after it has been made available to the District.

(b) Operating data, including the following information with respect to the District's preceding fiscal year (to the extent not included in the audited financial statements described in paragraph (a) above):

(i) Outstanding indebtedness and lease obligations;

(ii) General fund budget and actual results;

(iii) Enrollment, or equivalent information, as may be reasonably available;

(iv) Assessed valuations; and

(v) Largest local secured taxpayers.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or to the Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each other document so incorporated by reference.

SECTION 6. Reporting of Designated Listed Events.

(a) The District agrees to provide or cause to be provided to the MSRB notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) Business Days after the occurrence of the event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on any debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on any credit enhancements reflecting financial difficulties;

(iv) Substitution of credit or liquidity providers, or their failure to perform;

(v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(vi) Tender offers;

(vii) Defeasances;

(viii) Rating changes;

(ix) Bankruptcy, insolvency, receivership or similar event of the District; or

(x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For purposes of item (ix) above, the described event shall be deemed to occur when any of the following shall occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or other governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority have supervision or jurisdiction over substantially all of the assets or business of the District.

(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, not later than ten (10) business days after the occurrence of the event:

(i) Unless described in paragraph 6(a)(v) hereof, other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) Modifications to rights of Owners;

(iii) Bond calls;

(iv) Release, substitution or sale of property securing repayment of the Bonds, if applicable;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;

(vii) Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent; or

(viii) Incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) If the District determines that the occurrence of a Listed Event described in Section 6(b) hereof is material under applicable federal security laws, the District shall within ten (10) business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(vii) or (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Undertaking shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The Superintendent/President or Vice President of Business & Administration may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District's obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is no other designated Dissemination Agent in place, the District shall act as the Dissemination Agent.

The Dissemination Agent, if other than the District, shall be paid compensation for its services provided hereunder, and reimbursement for its costs and expenses. The Dissemination Agent shall not be responsible for the form or content of any document provided by the District hereunder.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Undertaking, the District may amend this Disclosure Undertaking under the following conditions, provided no amendment to this Disclosure Undertaking shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only 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 the obligated person, or type of business conducted;

(b) This Disclosure Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as the Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 10. Additional Information. If the District chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Undertaking, the District shall have no obligation under this Disclosure Undertaking to update such information or to include it in any future disclosure or notice of occurrence of a Designated Material Event.

Nothing in this Disclosure Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Designated Material Event, in addition to that which is required by this Disclosure Undertaking.

SECTION 11. Default. The District shall give notice to the MSRB of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Undertaking, any Bondholder 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 Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the District to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Record Keeping. The District shall maintain records of all Annual Reports and notices of material Listed Events including the content of such disclosure, the names of the entities with whom the such disclosure were filed and the date of filing such disclosure.

SECTION 14. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of California, applicable to contracts made and performed in such State of California.

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IN WITNESS WHEREOF, Larkspur-Corte Madera School District has executed this Continuing Disclosure Undertaking as of the date first set forth herein.

LARKSPUR-CORTE MADERA SCHOOL DISTRICT

By:____
Chief Business Official

EXHIBIT A

NOTICE TO THE MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Larkspur-Corte Madera School District
Name of Issues:	$7,725,000 2021 General Obligation Refunding Bonds (2000 Election and 2011 Election) Series A (Forward Delivery) (Date of Issuance: May 4, 2021)
	$39,685,000 2021 General Obligation Refunding Bonds (2011 Election and 2014 Election) Series B (Federally Taxable) (Date of Issuance: March 11, 2021)

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Disclosure Undertaking dated [__________], 2021. The Issuer anticipates that the Annual Report will be filed by _______________.

Dated: _____________________

[ISSUER/DISSEMINATION AGENT]

By: _____________________________________

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) 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 "Procedure" of DTC to be followed in dealing with DTC Participants are on file with DTC.

General

The Depository Trust Company ("DTC") 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 series and maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings' 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. *The foregoing internet address is included for reference only, and the information on this internet site is not incorporated by reference herein.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect

Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the 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 and series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue and series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District (or the Paying Agent on behalf thereof) 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).

Principal, premium, if any and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of

DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered in such series, principal amount or amounts, in authorized denominations, and registered in whatever name or names DTC shall designate.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC Participants under DTC's operational arrangements. In that event, printed certificates for the Bonds will be printed and delivered in such series, principal amount or amounts, in authorized denominations, and registered in whatever name or names DTC shall designate.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

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

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, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest 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 office of the Paying Agent, initially located in Los Angeles, California. Interest on the 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 aggregate principal, 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 any authorized denomination of like tenor upon presentation and surrender at the office of the Paying Agent, initially located in Los Angeles, California, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of such series and of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to exchange or transfer any Bond during the period from the Record Date through the next Interest Payment Date.

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APPENDIX F

THE MARIN COUNTY INVESTMENT POOL

The following information concerning the Marin County Investment Pool has been provided by the Treasurer and has not been confirmed or verified by the District. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

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APPROVED
DEC 15 2020
MARIN COUNTY
BOARD OF SUPERVISORS

COUNTY OF MARIN

DIVISION OF THE DEPARTMENT OF FINANCE
TREASURER
Excellent and responsive fiscal leadership.

Roy Given, CPA
DIRECTOR

Mina Martinovich, CPA
ASSISTANT DIRECTOR

Karen Shaw
FINANCE DIVISION CHIEF

Marin County Civic Center
3501 Civic Center Drive
Suite 209
PO Box 4220
San Rafael, CA 94913-4220
415 473 6143 T
415 473 3741 F
CRS Dial 711
www.marincounty.org/treas

December 15, 2020

Katie Rice, President
Board of Supervisors
County of Marin
3501 Civic Center Dr. #329
San Rafael, CA 94903

Mary Jane Burke
Superintendent of Schools
Marin County Office of Education
P.O. Box 4925
San Rafael, CA 94913

Marin County Schools,
Special Districts, and
MCERA

RE: MONTHLY REPORT OF COUNTY, SCHOOLS AND DISTRICT INVESTMENTS as of October 31, 2020.

Dear Investment Fund Participants:

The attached Monthly Report of County, Schools and District investments is provided for your review.

* The investments were made pursuant to Government Code Sections 53601, 53635 and comply with the County Treasurer's Statement of Investment Policy. The investment policy provides for:

- Preservation of capital through high quality investments;
- Maintenance of sufficient liquidity to meet participant operating needs; and
- A rate of return consistent with the above objectives.

* Maturities are scheduled to meet participant expenditure requirements for the next six months.

* Attached spreadsheets identify investment type, issuer, maturity date, amount invested and fair market value for each security held. Fair market values were determined by Wells Fargo Institutional Trust Services on all securities except for investments in the Local Agency Investment Fund which was valued at face value by us. Adjustments have been made for premiums, discounts and accrued interest on discount securities to make the book value and fair market value more comparable.

I trust you find this report informative. Should you have any questions or need additional information, please do not hesitate to call me directly at 415.473.3736. You can also visit our website at: https://www.marincounty.org/depts/df/divisions/treasurer

Respectfully submitted,

Roy Given
Director of Finance

RG: bg
Attachments

cc: Matthew Hymel, County Administrator
Marin County Treasury Oversight Committee

CA6a

TREASURER DIVISION - DEPARTMENT OF FINANCE
REPORT OF INVESTMENTS - OPERATING FUNDS
COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS

October 31, 2020

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
142	LA1	254,831.46	2.967	/ /	07/01/2011	254,831.46	0.611	0.620	Local Agency Investment Fund	254,831.46
3490	LA2	0.00	5.170	/ /	07/01/2011	0.00	0.000	0.001	MM-DREYFUS	0.00
9149	LA2	13,184,942.17	0.040	/ /	07/01/2011	13,184,942.17	0.009	0.010	MM-FIDELITY Institutional Gov	13,184,942.17
4366	LA2	0.00	4.930	/ /	07/01/2011	0.00	0.009	0.010	NATIONS Treasury Reserves	0.00
2246	LA2	16,789,265.66	4.760	/ /	07/01/2011	16,789,265.66	0.009	0.010	MM-WELLS FARGO Institutional G	16,789,265.66
12741	FAD	8,000,000.00	1.455	11/02/2020	02/06/2020	7,912,700.00	1.490	1.510	Fed Home Ln Mtg Corp Disc	8,000,000.00
12807	FAD	3,000,000.00	0.250	11/03/2020	04/14/2020	2,995,770.83	0.254	0.257	Federal Home Loan Discount	3,000,000.00
12815	FAD	3,000,000.00	0.180	11/03/2020	04/16/2020	2,996,985.00	0.183	0.185	Federal Home Loan Discount	3,000,000.00
12808	FAD	3,000,000.00	0.250	11/04/2020	04/14/2020	2,995,750.00	0.254	0.257	Federal Home Loan Discount	3,000,000.00
12745	FAD	8,000,000.00	1.450	11/06/2020	02/13/2020	7,913,966.67	1.484	1.505	Fed Home Ln Mtg Corp Disc	7,999,920.00
12809	FAD	3,000,000.00	0.250	11/09/2020	04/14/2020	2,995,645.83	0.254	0.257	Federal Home Loan Discount	2,999,940.00
12810	FAD	3,000,000.00	0.250	11/10/2020	04/14/2020	2,995,625.00	0.254	0.257	Federal Home Loan Discount	2,999,940.00
12909	TRD	3,000,000.00	0.075	11/12/2020	08/24/2020	2,999,500.00	0.076	0.077	T BILL	2,999,940.00
12642	FAD	10,000,000.00	1.550	11/13/2020	11/25/2019	9,847,583.33	1.593	1.616	Fed Agric Mrg Corp (FarmerMac)	9,999,800.00
12816	FAD	7,000,000.00	0.180	11/16/2020	04/16/2020	6,992,510.00	0.183	0.185	Federal Home Loan Discount	6,999,790.00
12689	FAD	5,000,000.00	1.590	11/17/2020	12/13/2019	4,924,916.67	1.635	1.658	Federal Farm Credit Bank Disc	4,999,850.00
12838	FAD	3,000,000.00	0.110	11/18/2020	05/14/2020	2,998,276.67	0.112	0.114	Federal Home Loan Discount	2,999,880.00
12839	FAD	3,000,000.00	0.110	11/19/2020	05/14/2020	2,998,267.50	0.112	0.114	Federal Home Loan Discount	2,999,880.00
12869	FAD	4,000,000.00	0.150	11/23/2020	06/24/2020	3,997,466.67	0.150	0.152	Federal Home Loan Discount	3,999,800.00
12906	TRD	7,000,000.00	0.095	11/24/2020	08/21/2020	6,998,245.14	0.096	0.097	T BILL	6,999,650.00
12742	FAD	12,000,000.00	1.440	11/30/2020	02/11/2020	11,859,360.00	1.476	1.496	Fed Home Ln Mtg Corp Disc	11,999,280.00
12760	FAD	5,000,000.00	1.310	11/30/2020	02/27/2020	4,949,601.39	1.340	1.359	Fed Home Ln Mtg Corp Disc	4,999,700.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12763	FAD	5,000,000.00	0.820	11/30/2020	03/02/2020	4,968,908.33	0.838	0.849	Fed Home Ln Mtg Corp Disc	4,999,700.00
12692	FAD	8,000,000.00	1.500	12/14/2020	12/16/2019	7,878,666.67	1.542	1.564	Federal Home Loan Discount	7,999,200.00
12768	FAD	25,000,000.00	0.420	12/14/2020	03/13/2020	24,919,500.00	0.428	0.434	Federal Home Loan Discount	24,997,500.00
12775	FAD	20,000,000.00	0.340	12/15/2020	03/20/2020	19,949,000.00	0.346	0.351	Fed Agric Mtg Corp Discount	19,997,800.00
12786	FAD	15,000,000.00	0.220	12/15/2020	04/02/2020	14,976,441.67	0.223	0.226	Fed Agric Mtg Corp Discount	14,998,350.00
12790	FAD	15,000,000.00	0.220	12/15/2020	04/06/2020	14,976,808.33	0.223	0.226	Fed Agric Mtg Corp Discount	14,998,350.00
12791	FAD	15,000,000.00	0.220	12/15/2020	04/06/2020	14,976,808.33	0.223	0.226	Fed Agric Mtg Corp Discount	14,998,350.00
12792	FAD	5,000,000.00	0.220	12/15/2020	04/07/2020	4,992,300.00	0.223	0.226	Fed Agric Mtg Corp Discount	4,999,450.00
12702	FAD	17,400,000.00	1.540	12/15/2020	12/26/2019	17,135,761.67	1.583	1.605	Federal Home Loan Discount	17,398,086.00
12769	FAD	28,000,000.00	0.520	12/15/2020	03/16/2020	27,889,182.22	0.530	0.537	Federal Home Loan Discount	27,996,920.00
12922	MC1	1,000,000.00	3.000	12/15/2020	09/04/2020	1,000,000.00	2.958	3.000	MARIN COUNTY	1,000,000.00
12800	FAD	8,000,000.00	0.160	12/16/2020	04/08/2020	7,991,040.00	0.162	0.164	Fed Natl Mtg Assoc Disc	7,999,120.00
12801	FAD	3,000,000.00	0.160	12/17/2020	04/08/2020	2,996,626.67	0.162	0.164	Fed Natl Mtg Assoc Disc	2,999,670.00
12841	FAD	10,000,000.00	0.110	12/18/2020	05/22/2020	9,993,583.33	0.112	0.113	Federal Home Loan Discount	9,998,900.00
12802	FAD	3,000,000.00	0.160	12/18/2020	04/08/2020	2,996,613.33	0.162	0.164	Fed Natl Mtg Assoc Disc	2,999,670.00
12124	FAC	5,000,000.00	2.700	12/21/2020	05/21/2018	4,994,600.00	2.706	2.744	Federal Farm Credit Bank	5,017,150.00
12811	FAD	3,000,000.00	0.250	12/22/2020	04/15/2020	2,994,770.83	0.254	0.257	Federal Home Loan Discount	2,999,640.00
12812	FAD	3,000,000.00	0.250	12/23/2020	04/15/2020	2,994,750.00	0.254	0.257	Federal Home Loan Discount	2,999,610.00
12777	FAD	6,000,000.00	0.350	12/28/2020	03/24/2020	5,983,725.00	0.356	0.361	Federal Home Loan Discount	5,999,160.00
12779	FAD	3,000,000.00	0.350	12/29/2020	03/26/2020	2,991,891.67	0.356	0.361	Federal Home Loan Discount	2,999,580.00
12780	FAD	3,000,000.00	0.350	12/30/2020	03/26/2020	2,991,862.50	0.356	0.361	Federal Home Loan Discount	2,999,580.00
12813	FAD	3,000,000.00	0.250	12/31/2020	04/15/2020	2,994,583.33	0.254	0.257	Federal Home Loan Discount	2,999,550.00
12778	FAD	10,000,000.00	0.350	01/04/2021	03/25/2020	9,972,291.67	0.356	0.361	Fed Agric Mtg Corp Discount	9,998,300.00
12783	FAD	3,000,000.00	0.170	01/07/2021	03/31/2020	2,996,005.00	0.172	0.175	Federal Home Loan Discount	2,999,460.00
12784	FAD	8,000,000.00	0.170	01/08/2021	03/31/2020	7,989,308.89	0.172	0.175	Federal Home Loan Discount	7,998,480.00
12863	FAD	2,000,000.00	0.150	01/08/2021	06/22/2020	1,998,333.33	0.152	0.154	Federal Home Loan Discount	1,999,620.00
12725	FAD	3,000,000.00	1.500	01/11/2021	01/21/2020	2,955,500.00	1.542	1.563	Federal Home Loan Discount	2,999,430.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12726	FAD	3,000,000.00	1.500	01/12/2021	01/21/2020	2,955,375.00	1.542	1.563	Federal Home Loan Discount	2,999,400.00
12729	FAD	3,000,000.00	1.520	01/13/2021	01/24/2020	2,955,033.33	1.562	1.584	Federal Home Loan Discount	2,999,400.00
12886	FAD	3,000,000.00	0.100	01/14/2021	07/24/2020	2,998,550.00	0.100	0.101	Federal Home Loan Discount	2,999,400.00
12887	FAD	5,000,000.00	0.100	01/15/2021	07/24/2020	4,997,569.44	0.100	0.101	Federal Home Loan Discount	4,998,950.00
12907	FAD	3,000,000.00	0.080	01/19/2021	08/24/2020	2,999,013.33	0.080	0.081	Federal Home Loan Discount	2,999,340.00
12882	FAD	5,000,000.00	0.150	01/20/2021	07/08/2020	4,995,916.67	0.153	0.155	Federal Home Loan Discount	4,998,900.00
12908	FAD	3,000,000.00	0.080	01/21/2021	08/24/2020	2,999,000.00	0.080	0.081	Federal Home Loan Discount	2,999,340.00
12885	FAC	10,000,000.00	0.150	01/22/2021	07/22/2020	10,000,000.00	0.147	0.150	Fed Agric Mrg Corp (FarmerMac)	10,000,800.00
12818	FAD	8,000,000.00	0.190	01/22/2021	04/17/2020	7,988,177.78	0.193	0.195	Federal Home Loan Discount	7,998,240.00
12854	FAD	5,000,000.00	0.180	01/25/2021	06/11/2020	4,994,300.00	0.182	0.185	Federal Home Loan Discount	4,998,850.00
12853	FAD	3,000,000.00	0.180	01/26/2021	06/11/2020	2,996,565.00	0.182	0.185	Federal Home Loan Discount	2,999,280.00
12761	FAD	28,000,000.00	1.100	01/28/2021	02/28/2020	27,713,388.89	1.126	1.142	Federal Home Loan Discount	27,993,280.00
12830	FAD	19,000,000.00	0.150	01/29/2021	04/28/2020	18,978,150.00	0.152	0.154	Federal Home Loan Discount	18,995,440.00
12040	MC1	100,000.00	3.500	01/31/2021	02/13/2018	100,115.07	3.448	3.495	MARIN COUNTY	100,115.07
12861	FAD	7,000,000.00	0.170	02/01/2021	06/16/2020	6,992,397.22	0.172	0.175	Federal Home Loan Discount	6,998,250.00
12888	FAD	3,000,000.00	0.110	02/02/2021	07/27/2020	2,998,258.33	0.112	0.114	Federal Home Loan Discount	2,999,220.00
12889	FAD	3,000,000.00	0.110	02/03/2021	07/27/2020	2,998,249.17	0.112	0.114	Federal Home Loan Discount	2,999,220.00
12895	FAD	3,000,000.00	0.090	02/04/2021	07/31/2020	2,998,590.00	0.092	0.093	Federal Home Loan Discount	2,999,220.00
12867	FAD	12,000,000.00	0.160	02/05/2021	06/23/2020	11,987,893.33	0.162	0.164	Federal Home Loan Discount	11,996,880.00
12743	FAD	5,000,000.00	1.490	02/08/2021	02/12/2020	4,925,086.11	1.532	1.553	Federal Home Loan Discount	4,998,650.00
12868	FAD	7,000,000.00	0.160	02/08/2021	06/23/2020	6,992,844.44	0.162	0.164	Federal Home Loan Discount	6,998,110.00
12896	FAD	3,000,000.00	0.090	02/09/2021	07/31/2020	2,998,552.50	0.091	0.093	Federal Home Loan Discount	2,999,190.00
12866	FAD	4,000,000.00	0.160	02/10/2021	06/22/2020	3,995,857.78	0.162	0.164	Federal Home Loan Discount	3,998,880.00
12897	FAD	3,000,000.00	0.090	02/11/2021	07/31/2020	2,998,537.50	0.091	0.093	Federal Home Loan Discount	2,999,160.00
12890	FAD	4,000,000.00	0.110	02/12/2021	07/27/2020	3,997,555.56	0.112	0.113	Federal Home Loan Discount	3,998,880.00
12898	FAD	3,000,000.00	0.090	02/16/2021	07/31/2020	2,998,500.00	0.091	0.093	Federal Home Loan Discount	2,999,130.00
12901	FAD	3,000,000.00	0.080	02/17/2021	08/04/2020	2,998,686.67	0.081	0.082	Federal Home Loan Discount	2,999,100.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12899	FAD	3,000,000.00	0.080	02/18/2021	08/04/2020	2,998,680.00	0.081	0.082	Federal Home Loan Discount	2,999,100.00
12785	FAD	8,000,000.00	0.180	02/19/2021	03/31/2020	7,987,000.00	0.182	0.185	Fed Home Ln Mtg Corp Disc	7,997,600.00
12870	FAD	6,000,000.00	0.145	02/22/2021	06/25/2020	5,994,151.67	0.147	0.149	Federal Home Loan Discount	5,998,140.00
12900	FAD	3,000,000.00	0.080	02/23/2021	08/04/2020	2,998,646.67	0.081	0.082	Federal Home Loan Discount	2,999,070.00
12926	FAD	4,000,000.00	0.100	02/24/2021	09/09/2020	3,998,133.33	0.100	0.101	Federal Home Loan Discount	3,998,720.00
12871	TRD	3,000,000.00	0.155	02/25/2021	06/25/2020	2,996,835.42	0.157	0.159	T BILL	2,999,040.00
12893	FAD	20,000,000.00	0.110	02/26/2021	07/29/2020	19,987,044.44	0.112	0.113	Federal Home Loan Discount	19,993,600.00
12782	FAD	10,000,000.00	0.130	03/01/2021	03/30/2020	9,987,866.67	0.132	0.133	Fed Agric Mtg Corp Discount	9,996,400.00
12793	FAD	3,000,000.00	0.200	03/02/2021	04/07/2020	2,994,516.67	0.203	0.205	Fed Natl Mtg Assoc Disc	2,998,890.00
12794	FAD	3,000,000.00	0.200	03/03/2021	04/07/2020	2,994,500.00	0.203	0.205	Fed Natl Mtg Assoc Disc	2,998,890.00
12795	FAD	3,000,000.00	0.200	03/04/2021	04/07/2020	2,994,483.33	0.203	0.205	Fed Natl Mtg Assoc Disc	2,998,890.00
12796	FAD	8,000,000.00	0.200	03/05/2021	04/07/2020	7,985,244.44	0.203	0.205	Fed Natl Mtg Assoc Disc	7,996,960.00
12797	FAD	7,000,000.00	0.200	03/08/2021	04/08/2020	6,987,011.11	0.203	0.205	Fed Natl Mtg Assoc Disc	6,997,340.00
12798	FAD	3,000,000.00	0.200	03/09/2021	04/08/2020	2,994,416.67	0.203	0.205	Fed Natl Mtg Assoc Disc	2,998,830.00
12821	FAD	3,000,000.00	0.130	03/10/2021	04/22/2020	2,996,511.67	0.131	0.133	Federal Home Loan Discount	2,998,830.00
12915	FAD	3,000,000.00	0.090	03/11/2021	08/28/2020	2,998,537.50	0.091	0.093	Federal Home Loan Discount	2,998,830.00
12916	FAD	3,000,000.00	0.090	03/12/2021	08/28/2020	2,998,530.00	0.091	0.093	Federal Home Loan Discount	2,998,800.00
12862	FAD	10,000,000.00	0.190	03/15/2021	06/17/2020	9,985,697.22	0.193	0.195	Federal Home Loan Discount	9,995,900.00
12773	FAD	3,000,000.00	0.350	03/18/2021	03/19/2020	2,989,383.33	0.355	0.360	Federal Home Loan Discount	2,998,740.00
12774	FAD	8,000,000.00	0.350	03/19/2021	03/19/2020	7,971,611.11	0.355	0.360	Federal Home Loan Discount	7,996,640.00
12822	FAD	5,000,000.00	0.170	03/22/2021	04/23/2020	4,992,137.50	0.172	0.175	Fed Agric Mtg Corp Discount	4,997,850.00
12832	FAD	3,000,000.00	0.160	03/29/2021	04/30/2020	2,995,560.00	0.162	0.164	Federal Home Loan Discount	2,998,650.00
12833	FAD	3,000,000.00	0.160	03/30/2021	04/30/2020	2,995,546.67	0.162	0.164	Federal Home Loan Discount	2,998,650.00
12831	FAD	10,000,000.00	0.180	03/31/2021	04/29/2020	9,983,200.00	0.182	0.185	Federal Home Loan Discount	9,995,500.00
12834	FAD	8,000,000.00	0.160	03/31/2021	04/30/2020	7,988,088.89	0.162	0.164	Federal Home Loan Discount	7,996,400.00
12877	FAC	10,000,000.00	0.170	04/01/2021	07/01/2020	10,000,000.00	0.167	0.170	Fed Agric Mrg Corp (FarmerMac)	10,002,000.00
12493	FAC	10,000,000.00	1.770	04/05/2021	07/05/2019	9,983,600.00	1.840	1.866	Federal Farm Credit Bank	10,071,800.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12716	FAC	5,000,000.00	1.600	04/09/2021	01/09/2020	5,000,000.00	1.578	1.600	Federal Farm Credit Bank	5,033,150.00
12805	FAD	60,000,000.00	0.300	04/12/2021	04/13/2020	59,818,000.00	0.304	0.309	Federal Home Loan Discount	59,970,600.00
12814	FAD	15,000,000.00	0.220	04/15/2021	04/15/2020	14,966,541.67	0.223	0.226	Federal Home Loan Discount	14,992,500.00
12835	FAD	15,000,000.00	0.140	04/15/2021	05/05/2020	14,979,875.00	0.142	0.144	Federal Home Loan Discount	14,992,500.00
12828	FAD	8,000,000.00	0.210	04/16/2021	04/28/2020	7,983,526.67	0.213	0.216	Federal Home Loan Discount	7,996,000.00
12829	FAD	5,000,000.00	0.210	04/19/2021	04/28/2020	4,989,616.67	0.213	0.216	Federal Home Loan Discount	4,997,450.00
12825	FAD	3,000,000.00	0.210	04/20/2021	04/24/2020	2,993,682.50	0.213	0.216	Federal Home Loan Discount	2,998,440.00
12917	FAD	3,000,000.00	0.090	04/21/2021	08/28/2020	2,998,230.00	0.091	0.092	Federal Home Loan Discount	2,998,440.00
12823	FAD	4,000,000.00	0.180	04/22/2021	04/24/2020	3,992,740.00	0.182	0.185	Federal Home Loan Discount	3,997,920.00
12844	FAD	3,500,000.00	0.140	04/23/2021	05/26/2020	3,495,481.11	0.142	0.144	Federal Home Loan Discount	3,498,145.00
12845	FAD	5,000,000.00	0.140	04/26/2021	05/27/2020	4,993,505.56	0.142	0.144	Federal Home Loan Discount	4,997,350.00
12846	FAD	3,000,000.00	0.140	04/27/2021	05/27/2020	2,996,091.67	0.142	0.144	Federal Home Loan Discount	2,998,380.00
12847	FAD	3,000,000.00	0.140	04/28/2021	05/27/2020	2,996,080.00	0.142	0.144	Federal Home Loan Discount	2,998,380.00
12848	FAD	3,000,000.00	0.140	04/29/2021	05/27/2020	2,996,068.33	0.142	0.144	Federal Home Loan Discount	2,998,380.00
12842	FAD	26,000,000.00	0.120	04/30/2021	05/26/2020	25,970,620.00	0.121	0.123	Federal Home Loan Discount	25,985,700.00
12849	FAD	10,000,000.00	0.140	05/03/2021	05/29/2020	9,986,816.67	0.142	0.144	Federal Home Loan Discount	9,993,900.00
12919	FAD	3,000,000.00	0.090	05/04/2021	08/31/2020	2,998,155.00	0.090	0.092	Federal Home Loan Discount	2,998,170.00
12920	FAD	3,000,000.00	0.090	05/05/2021	08/31/2020	2,998,147.50	0.090	0.092	Federal Home Loan Discount	2,998,170.00
12836	FAD	4,000,000.00	0.150	05/06/2021	05/08/2020	3,993,950.00	0.152	0.154	Federal Home Loan Discount	3,997,520.00
12921	FAD	5,000,000.00	0.090	05/07/2021	09/01/2020	4,996,900.00	0.090	0.092	Federal Home Loan Discount	4,996,900.00
12930	FAD	3,000,000.00	0.080	05/10/2021	09/25/2020	2,998,486.67	0.080	0.081	Federal Home Loan Discount	2,998,110.00
12931	FAD	3,000,000.00	0.080	05/11/2021	09/25/2020	2,998,480.00	0.080	0.081	Federal Home Loan Discount	2,998,110.00
12932	FAD	5,000,000.00	0.080	05/12/2021	09/25/2020	4,997,455.56	0.080	0.081	Federal Home Loan Discount	4,996,800.00
12878	FAD	3,000,000.00	0.130	05/13/2021	07/02/2020	2,996,587.50	0.132	0.133	Fed Natl Mtg Assoc Disc	2,998,080.00
12855	FAD	8,000,000.00	0.120	05/14/2021	06/15/2020	7,991,120.00	0.121	0.123	Federal Home Loan Discount	7,994,880.00
12459	FAC	5,000,000.00	2.250	05/17/2021	05/17/2019	4,998,650.00	2.232	2.263	Federal Farm Credit Bank	5,057,850.00
12935	FAD	3,000,000.00	0.070	05/18/2021	10/07/2020	2,998,699.17	0.070	0.071	Federal Home Loan Discount	2,998,020.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12933	FAD	5,000,000.00	0.080	05/19/2021	09/25/2020	4,997,377.78	0.080	0.081	Federal Home Loan Discount	4,996,700.00
12929	FAD	3,000,000.00	0.090	05/20/2021	09/22/2020	2,998,200.00	0.090	0.092	Federal Home Loan Discount	2,998,020.00
12936	FAD	3,000,000.00	0.070	05/21/2021	10/07/2020	2,998,681.67	0.070	0.071	Federal Home Loan Discount	2,997,990.00
12923	FAD	3,000,000.00	0.100	05/24/2021	09/08/2020	2,997,850.00	0.101	0.102	Federal Home Loan Discount	2,997,960.00
12924	FAD	3,000,000.00	0.100	05/25/2021	09/08/2020	2,997,841.67	0.101	0.102	Federal Home Loan Discount	2,997,960.00
12925	FAD	3,000,000.00	0.100	05/27/2021	09/08/2020	2,997,825.00	0.101	0.102	Federal Home Loan Discount	2,997,930.00
12955	FAD	25,000,000.00	0.105	05/28/2021	10/20/2020	24,983,958.33	0.106	0.107	Federal Home Loan Discount	24,982,750.00
12851	FAD	5,000,000.00	0.180	06/01/2021	06/04/2020	4,990,950.00	0.182	0.185	Fed Agric Mtg Corp Discount	4,996,500.00
12913	FAD	5,000,000.00	0.090	06/01/2021	08/27/2020	4,996,525.00	0.091	0.092	Federal Home Loan Discount	4,996,500.00
12856	FAD	7,000,000.00	0.120	06/02/2021	06/15/2020	6,991,786.67	0.121	0.123	Federal Home Loan Discount	6,995,030.00
12914	FAD	4,551,000.00	0.110	06/03/2021	08/28/2020	4,547,120.27	0.111	0.113	Federal Home Loan Discount	4,547,768.79
12857	FAD	8,000,000.00	0.170	06/04/2021	06/15/2020	7,986,626.67	0.172	0.174	Federal Home Loan Bank	7,994,320.00
12858	FAD	3,000,000.00	0.170	06/07/2021	06/15/2020	2,994,942.50	0.172	0.174	Federal Home Loan Discount	2,997,840.00
12859	FAD	3,000,000.00	0.170	06/08/2021	06/15/2020	2,994,928.33	0.172	0.174	Federal Home Loan Discount	2,997,810.00
12943	FAD	3,000,000.00	0.080	06/09/2021	10/09/2020	2,998,380.00	0.081	0.082	Federal Home Loan Discount	2,997,810.00
12959	FAD	3,000,000.00	0.070	06/10/2021	10/23/2020	2,998,658.33	0.070	0.071	Federal Home Loan Discount	2,997,810.00
12860	FAD	8,000,000.00	0.170	06/11/2021	06/15/2020	7,986,362.22	0.172	0.174	Federal Home Loan Discount	7,994,080.00
12879	FAD	8,000,000.00	0.130	06/14/2021	07/06/2020	7,990,091.11	0.132	0.133	Fed Natl Mtg Assoc Disc	7,994,000.00
12880	FAD	3,000,000.00	0.130	06/15/2021	07/06/2020	2,996,273.33	0.131	0.133	Fed Natl Mtg Assoc Disc	2,997,750.00
12881	FAD	3,000,000.00	0.130	06/16/2021	07/06/2020	2,996,262.50	0.131	0.133	Fed Natl Mtg Assoc Disc	2,997,750.00
12864	FAD	3,000,000.00	0.180	06/17/2021	06/22/2020	2,994,600.00	0.182	0.185	Federal Home Loan Discount	2,997,720.00
12938	FAD	5,000,000.00	0.080	06/18/2021	10/08/2020	4,997,188.89	0.081	0.082	Federal Home Loan Discount	4,996,200.00
12939	FAD	3,000,000.00	0.080	06/21/2021	10/08/2020	2,998,293.33	0.081	0.082	Federal Home Loan Discount	2,997,690.00
12940	FAD	3,000,000.00	0.080	06/22/2021	10/08/2020	2,998,286.67	0.081	0.082	Federal Home Loan Discount	2,997,690.00
12941	FAD	5,000,000.00	0.080	06/23/2021	10/08/2020	4,997,133.33	0.081	0.082	Federal Home Loan Discount	4,996,100.00
12944	FAD	5,000,000.00	0.080	06/24/2021	10/09/2020	4,997,133.33	0.081	0.082	Federal Home Loan Discount	4,996,100.00
12904	FAD	19,606,000.00	0.115	06/25/2021	08/18/2020	19,586,521.98	0.116	0.118	Federal Home Loan Discount	19,590,707.32

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12903	FAD	10,000,000.00	0.115	06/28/2021	08/17/2020	9,989,937.50	0.116	0.118	Federal Home Loan Discount	9,992,100.00
12948	FAD	3,000,000.00	0.080	06/28/2021	10/14/2020	2,998,286.67	0.081	0.082	Federal Home Loan Discount	2,997,630.00
12872	FAC	5,000,000.00	0.180	06/29/2021	06/29/2020	4,997,250.00	0.231	0.235	Federal Home Loan Bank	4,999,500.00
12937	FAD	5,000,000.00	0.080	06/30/2021	10/07/2020	4,997,044.44	0.081	0.082	Federal Home Loan Discount	4,996,000.00
12947	FAD	12,000,000.00	0.080	07/01/2021	10/14/2020	11,993,066.67	0.081	0.082	Federal Home Loan Discount	11,989,560.00
12954	FAD	6,000,000.00	0.080	07/02/2021	10/20/2020	5,996,600.00	0.081	0.082	Federal Home Loan Discount	5,994,780.00
12960	FAD	3,000,000.00	0.080	07/06/2021	10/23/2020	2,998,293.33	0.081	0.082	Federal Home Loan Discount	2,997,330.00
12965	FAD	3,000,000.00	0.070	07/07/2021	10/29/2020	2,998,535.83	0.070	0.071	Federal Home Loan Discount	2,997,330.00
12966	FAD	3,000,000.00	0.070	07/08/2021	10/29/2020	2,998,530.00	0.070	0.071	Federal Home Loan Discount	2,997,300.00
12928	FAD	10,000,000.00	0.090	07/09/2021	09/22/2020	9,992,750.00	0.091	0.092	Federal Home Loan Discount	9,991,000.00
12918	FAD	5,000,000.00	0.090	07/12/2021	08/28/2020	4,996,025.00	0.091	0.092	Federal Home Loan Discount	4,995,450.00
12967	FAD	3,000,000.00	0.070	07/13/2021	10/29/2020	2,998,500.83	0.070	0.071	Federal Home Loan Discount	2,997,270.00
12968	FAD	3,000,000.00	0.070	07/15/2021	10/29/2020	2,998,489.17	0.070	0.071	Federal Home Loan Discount	2,997,240.00
12956	FAD	8,000,000.00	0.080	07/23/2021	10/20/2020	7,995,093.33	0.081	0.082	Federal Home Loan Discount	7,992,400.00
12961	FAD	7,000,000.00	0.080	07/26/2021	10/26/2020	6,995,753.33	0.081	0.082	Federal Home Loan Discount	6,993,280.00
12826	FAC	5,000,000.00	0.250	07/27/2021	04/27/2020	4,999,350.00	0.256	0.260	Federal Farm Credit Bank	5,004,200.00
12912	FAD	10,000,000.00	0.100	07/30/2021	08/26/2020	9,990,611.11	0.101	0.102	Federal Home Loan Discount	9,990,300.00
12949	FAD	5,000,000.00	0.080	08/02/2021	10/15/2020	4,996,766.67	0.081	0.082	Federal Home Loan Discount	4,995,050.00
12934	FAD	10,000,000.00	0.080	08/06/2021	09/28/2020	9,993,066.67	0.081	0.082	Federal Home Loan Discount	9,990,000.00
12962	FAD	7,000,000.00	0.080	08/09/2021	10/27/2020	6,995,551.11	0.081	0.082	Federal Home Loan Discount	6,992,930.00
12837	FAC	5,000,000.00	0.160	08/12/2021	05/12/2020	4,998,450.00	0.182	0.184	Federal Farm Credit Bank	5,000,850.00
12905	FAC	5,000,000.00	0.125	08/20/2021	08/20/2020	5,000,000.00	0.123	0.125	Federal Home Loan Bank	4,998,300.00
12911	FAC	5,000,000.00	0.125	08/26/2021	08/26/2020	4,999,660.00	0.130	0.131	Federal Home Loan Bank	4,998,650.00
12946	FAD	18,000,000.00	0.080	08/27/2021	10/13/2020	17,987,280.00	0.081	0.082	Federal Home Loan Discount	17,980,560.00
12963	FAD	9,000,000.00	0.080	08/30/2021	10/28/2020	8,993,880.00	0.081	0.082	Federal Home Loan Discount	8,990,190.00
12942	FAD	12,000,000.00	0.080	09/03/2021	10/08/2020	11,991,200.00	0.081	0.082	Federal Home Loan Discount	11,985,720.00
12927	FAC	5,000,000.00	0.125	09/10/2021	09/10/2020	4,999,650.00	0.130	0.132	Federal Home Loan Bank	4,998,500.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12951	FAD	3,000,000.00	0.115	09/15/2021	10/19/2020	2,996,827.92	0.116	0.118	Federal Home Loan Discount	2,996,310.00
11877	MC1	42,000.00	3.560	09/15/2021	09/15/2017	42,000.00	3.511	3.560	MARIN COUNTY	42,000.00
12952	FAD	3,000,000.00	0.115	09/16/2021	10/19/2020	2,996,818.33	0.116	0.118	Federal Home Loan Discount	2,996,280.00
12540	FAC	5,000,000.00	1.625	09/17/2021	09/17/2019	4,992,500.00	1.678	1.701	Federal Farm Credit Bank	5,065,850.00
12953	FAD	7,000,000.00	0.115	09/20/2021	10/19/2020	6,992,486.67	0.116	0.118	Federal Home Loan Discount	6,991,250.00
12964	FAD	7,000,000.00	0.080	10/04/2021	10/28/2020	6,994,695.56	0.081	0.082	Federal Home Loan Discount	6,990,830.00
12945	FAD	3,000,000.00	0.120	10/13/2021	10/13/2020	2,996,350.00	0.121	0.123	Federal Home Loan Discount	2,995,980.00
12958	FAD	4,000,000.00	0.080	10/14/2021	10/22/2020	3,996,826.67	0.081	0.082	Federal Home Loan Discount	3,994,600.00
12957	FAD	8,000,000.00	0.080	10/15/2021	10/22/2020	7,993,635.56	0.081	0.082	Federal Home Loan Discount	7,989,200.00
12950	FAC	5,000,000.00	0.125	10/19/2021	10/19/2020	4,999,660.00	0.130	0.131	Federal Home Loan Bank	5,000,150.00
12876	FAC	20,000,000.00	0.180	10/29/2021	07/01/2020	20,000,000.00	0.177	0.180	Fed Agric Mrg Corp (FarmerMac)	20,006,200.00
12910	FAC	10,000,000.00	0.140	11/29/2021	08/25/2020	10,000,000.00	0.138	0.140	Fed Agric Mrg Corp (FarmerMac)	9,997,500.00
12041	MC1	100,000.00	3.560	02/01/2022	02/13/2018	100,117.04	3.507	3.555	MARIN COUNTY	100,117.04
11738	RRP	348,149.12	4.500	02/28/2022	03/01/2017	348,149.12	4.438	4.500	MARIN COUNTY	348,149.12
12770	FAC	5,000,000.00	0.625	03/18/2022	03/18/2020	5,000,000.00	0.616	0.625	Federal Farm Credit Bank	5,030,150.00
12840	FAC	5,000,000.00	0.300	05/17/2022	05/15/2020	5,000,000.00	0.295	0.299	Fed Home Ln Mtg Corp	4,998,100.00
12852	FAC	5,000,000.00	0.300	05/20/2022	06/04/2020	5,000,000.00	0.295	0.300	Fed Agric Mrg Corp (FarmerMac)	5,000,150.00
12843	FAC	5,000,000.00	0.270	05/26/2022	05/26/2020	5,000,000.00	0.266	0.270	Fed Home Ln Mtg Corp	5,000,800.00
12873	FAC	5,000,000.00	0.300	06/30/2022	06/30/2020	5,000,000.00	0.295	0.300	Fed Home Ln Mtg Corp	5,002,900.00
12884	FAC	5,000,000.00	0.250	07/20/2022	07/20/2020	5,000,000.00	0.246	0.250	Fed Home Ln Mtg Corp	4,999,900.00
12891	FAC	5,000,000.00	0.250	07/28/2022	07/28/2020	5,000,000.00	0.246	0.250	Fed Home Ln Mtg Corp	5,000,200.00
12894	FAC	5,000,000.00	0.250	07/29/2022	07/29/2020	5,000,000.00	0.246	0.250	Fed Home Ln Mtg Corp	4,997,150.00
12902	FAC	5,000,000.00	0.220	08/11/2022	08/11/2020	5,000,000.00	0.216	0.220	Fed Home Ln Mtg Corp	4,996,050.00
12850	FAC	5,000,000.00	0.340	09/01/2022	06/01/2020	5,000,000.00	0.335	0.340	Fed Home Ln Mtg Corp	4,996,700.00
11869	RRP	981,129.53	4.500	09/01/2022	09/01/2017	981,129.53	4.438	4.500	MARIN COUNTY	981,129.53
11878	MC1	40,000.00	3.648	09/15/2022	09/15/2017	40,000.00	3.598	3.648	MARIN COUNTY	40,000.00
12883	FAC	5,000,000.00	0.300	10/14/2022	07/14/2020	5,000,000.00	0.295	0.300	Fed Home Ln Mtg Corp	5,000,600.00

INVESTMENT #	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
12892	FAC	5,000,000.00	0.300	10/28/2022	07/28/2020	5,000,000.00	0.295	0.300	Fed Home Ln Mtg Corp	5,000,200.00
12662	RRP	300,000.00	3.500	12/05/2022	12/05/2019	300,000.00	3.452	3.500	MARIN COUNTY	300,000.00
12711	FAC	5,000,000.00	1.750	01/06/2023	01/06/2020	5,000,000.00	1.726	1.750	Fed Agric Mrg Corp (FarmerMac)	5,014,400.00
12730	FAC	5,000,000.00	1.700	01/27/2023	01/27/2020	4,997,500.00	1.693	1.717	Fed Natl Mtg Assoc	5,015,050.00
12042	MC1	100,000.00	3.648	02/01/2023	02/13/2018	100,119.93	3.593	3.643	MARIN COUNTY	100,119.93
		1,369,297,317.94				**1,366,320,914.34**				**1,369,069,487.09**
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS						**1,865.05**			ACCRUED INTEREST DISCOUNT INVESTMENTS	
		1,369,297,317.94				**1,366,322,779.39**				**1,369,069,487.09**

TREASURER DIVISION - DEPARTMENT OF FINANCE
PORTFOLIO SUMMARY REPORT - OPERATING FUNDS
COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
October 31, 2020

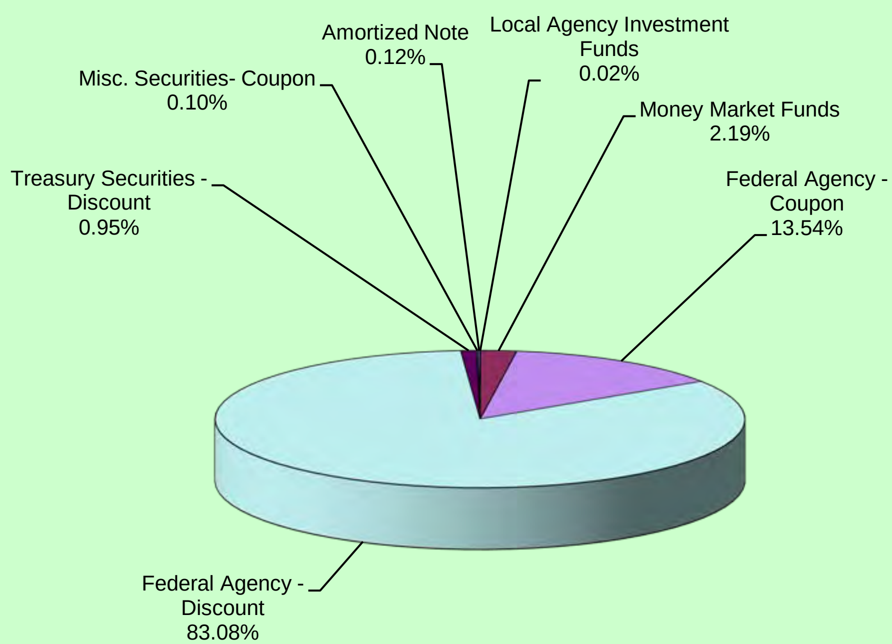
DESCRIPTION	ENDING BALANCE October 31, 2020	AVERAGE BALANCE October 31, 2020	WEIGHTED AVERAGE DAYS TO MATURITY	ANNUALIZED YIELD October 31, 2020	YIELD October 31, 2020
LOCAL AGENCY INVESTMENT FUNDS	$254,831.46	$254,587.60	1	0.620	0.620
MONEY MARKET FUNDS	$29,974,207.83	$30,329,046.54	1	0.010	0.010
FEDERAL AGENCY ISSUES - COUPON	$184,960,870.00	$201,437,045.34	401	0.622	0.596
FEDERAL AGENCY ISSUES - DISCOUNT	$1,135,124,793.80	$1,076,441,362.18	145	0.369	0.309
TREASURY SECURITIES - COUPON					
TREASURY SECURITIES - DISCOUNT	$12,994,580.56	$12,994,580.56	42	0.106	0.107
MISC SECURITIES - COUPON	$1,382,352.04	$1,382,000.00	160	3.159	3.159
AMORTIZED NOTE	$1,629,278.65	$1,629,278.65	647	4.761	4.316
TOTALS & AVERAGES	$1,366,320,914.34	$1,324,467,900.87	176	0.405%	0.347%

The Local Agency Investment Funds is an open ended account and is not included in the total weighted days to maturity.

Treasurer Division - Department of Finance
Portfolio Yield Report - Operating Funds
County of Marin, Schools & Special Districts
October 31, 2020

INVESTMENT HOLDINGS	BOOK VALUE	10/31/20
Local Agency Investment Funds	$254,831.46	0.620%
Money Market Funds	$29,974,207.83	0.010%
Federal Agency - Coupon	$184,960,870.00	0.596%
Federal Agency - Discount	$1,135,124,793.80	0.309%
Treasury Securities - Discount	$12,994,580.56	0.107%
Misc. Securities- Coupon	$1,382,352.04	3.159%
Amortized Note	$1,629,278.65	4.316%
TOTAL	$1,366,320,914.34	0.347%

PORTFOLIO ALLOCATION



TREASURER DIVISION - DEPARTMENT OF FINANCE

REPORT OF INVESTMENTS - NON-OPERATING FUNDS

CHILDREN & FAMILIES COMMISSION

October 31, 2020

INVESTMENT #	TYPE	FACE VALUE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
101	LA2	105,845.15	/ /	/ /	105,845.15	0.611	0.620	LOCAL AGENCY INVESTMENT FUND	105,845.15
		105,845.15			**105,845.15**				**105,845.15**

TREASURER DIVISION - DEPARTMENT OF FINANCE

REPORT OF INVESTMENTS - NON-OPERATING FUNDS

SAN RAFAEL SCHOOLS

October 31, 2020

INVESTMENT #	TYPE	FACE VALUE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YTM 360 DAYS	YTM 365 DAYS	DESCRIPTION	MARKET VALUE
687	LA1	0.00	/ /	/ /	0.00	5.181	5.253	LOCAL AGENCY INVESTMENT FUND	0.00
746	LA1	458,486.37	/ /	/ /	458,486.37	0.611	0.620	LOCAL AGENCY INVESTMENT FUND	458,486.37
		458,486.37			**458,486.37**				**458,486.37**
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS					-0-				
		458,486.37			**458,486.37**				**458,486.37**

COUNTY OF MARIN

DEPARTMENT OF FINANCE

Excellent and responsive fiscal leadership.

Roy Given, CPA
DIRECTOR

Mina Martinovich, CPA
ASSISTANT DIRECTOR

Marin County Civic Center
3501 Civic Center Drive
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San Rafael, CA 94903
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415 473 3680 F
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www.marincounty.org/dof

Board of Supervisors
County of Marin
Civic Center
San Rafael. CA 94903

December 17, 2019

APPROVED
DEC 17 2019
MARIN COUNTY
BOARD OF SUPERVISORS

Subject: 2019/2020 Annual Statement of Investment Policy

Dear Board Members:

Recommendation: Pursuant to Government Code Section 53646, the following are submitted for review and approval:

- 2019/2020 Annual Statement of Investment Policy for funds managed by the Treasurer's office for the County, schools, college and Special Districts; and

- 2019/2020 Marin County Long-Term Investment Pool Policy for funds managed by the Treasurer's office for the Marin County General Fund;

Summary: There are no changes to the 2019/2020 Annual Statement of Investment Policy; it has been reviewed and monitored by the County Treasury Oversight Committee. The committee's membership is listed below. The authority for the committee and their responsibilities are contained in Government Codes sections 27130-27137.

Additionally, the 2019/2020 Annual Statement of Investment Policy is reviewed and monitored monthly by Fitch Ratings, an independent rating agency. Their report is attached. We continue with a rating of AAA/S1. The County's AAA rating has been maintained since 1994. The rating received is reflective of the outstanding work of the Treasury unit.

Alternative Recommendation: N/A

Reviewed by:	[X]	Finance Department	[ ] N/A
	[ ]	County Counsel	[X] N/A
	[X]	Administrator	[ ] N/A

Respectfully submitted,

Roy Given
Director of Finance

CA4b

cc: Treasury Oversight Committee:

- Matthew Hymel, County Administrator
- Dan Eilerman, Alternate Representative, County Administrator
- Mary Jane Burke, Marin County Superintendent of Schools
- Nancy Lynch, Reed Union School District Superintendent
- Jean Bonander, Public Member
- Roy Given, Director of Finance
- Marin County School Districts
- Special Districts
- MCERA

STATEMENT OF INVESTMENT POLICY

COUNTY OF MARIN

Department of Finance
Roy Given, Director

Fiscal Year 2019-2020

COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY

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COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY

Under the authority delegated to the Director of Finance by the Board of Supervisors and in accordance with the California Government Code, the following sets forth the investment policy of the County of Marin:

I. OBJECTIVES:

All funds on deposit in the County Treasury shall be invested in accordance with the California Government Code Sections 53600 et seq. and Sections 53639 et seq. to ensure:

(a) **Preservation of capital** through high quality investments and by continually evaluating the credit of financial institutions approved for investment transactions, and securities considered and held in safekeeping;

(b) Maintenance of sufficient **liquidity** to enable the participants and other depositors to meet their operating requirements;

(c) A **rate of return** consistent with the above objectives.

2. PARTICIPANTS

Participants in the Marin County Pool are defined as Marin County, Marin Public School Agencies, Marin Community College, Marin County Office of Education, districts under the control of the County Board of Supervisors, autonomous/independent districts whose treasurer is the Director of Finance and any other district or agency approved by the Board of Supervisors and the Director of Finance using the County of Marin as their fiscal agent.

(a) **Statutory participants** are those government agencies within the County of Marin for which the Marin County Treasurer is statutorily designated as the Custodian of Funds.

(b) **Voluntary participants** are other local agencies that may participate in the Pooled Investment Fund, such as special districts and cities for which the Marin County Treasurer is not statutorily designated as the Custodian of Funds. Participation is subject to approval by the Director of Finance, and in accordance with California Government Code Section 53684.

3. AUTHORIZED PERSONS

Authorized persons for investment purposes include principal staff as designated by the Director of Finance on the Authorized Investor List. Designated Principal Staff shall make all investment decisions. To minimize the risk of disrupting the day to day business activities, Principal Staff shall use separate means of travel to attend training and conferences.

All investment decisions shall be made with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting, as a trustee, in a like capacity and familiarity would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the participants.

4. BIDS & PURCHASE OF SECURITIES

Prior to the purchase of an investment pursuant to this policy the persons authorized to make investments shall assess the market and market prices using information obtained from available sources including investment services, broker/dealers, and the media. Bids for various investments shall be evaluated considering preservation of capital as the most important factor, liquidity as the second most important factor and thirdly, yield. Investments in commercial paper, bankers acceptances and certificates of deposit for each issuer shall be limited to five percent (5%) of Treasury assets, determined using the Treasury balance at the time of purchase, except that investments in overnight commercial paper shall be limited to seven percent (7%) of Treasury assets for any one issuer. The investment selected for purchase shall be that investment which in the opinion of the purchaser most clearly meets these objectives. All security transactions shall be documented at the time the transaction is consummated.

5. TERM

Maturities of investments in the Marin County Treasury Pool shall be selected based upon liquidity requirements. The maximum remaining term to maturity for an investment shall be three (3) years; except that, subject to the limitations set forth in Sections 53601 et seq. and 53635 et seq. of the California Government Code, the Director of Finance may authorize investments in U.S. Treasury obligations and/or U.S. and local agency obligations with a maximum remaining term to maturity that shall not exceed five (5) years. The weighted average maturity of the investment pool, to be determined at the time of purchase, shall not exceed 540 days to final maturity/call.

Capital Funds, Construction Funds, or money obtained through the sale of agency surplus property, may be invested by the Director of Finance in specific investments outside of the Pool provided the Director of Finance obtains written approval from the governing board of the County, School District or Special District. No investment shall have a remaining maturity in excess of five (5) years.

Proceeds of Debt Issues set aside for repayment of any County, School District, or Special District financings shall not be invested for a term that exceeds the term set forth in the financing documents.

6. *ALLOWED INVESTMENTS*

Pursuant to California Government Code Sections 53601 et seq. and 53635 et seq., the County Director of Finance may invest in the following subject to the limitations as set forth:

(a) **United States Treasury obligations.**

(b) **United States Agency obligations.**

(c) **Securities of U.S. Government Agencies & Instrumentalities**

(d) **State of California Bonds and Registered Warrants.**

(e) **Bonds, Notes, Warrants** or other evidence of indebtedness of a **local agency** within the State of California.

(f) **Bankers acceptances** not to exceed one hundred eighty (180) days to maturity or at the time of purchase thirty percent (30%) of the treasury fund balance.

(g) **Commercial paper** of "prime" quality of the highest_letter and numerical rating as provided for by Moody's_Investors Service, Inc., or Standard and Poor's Corporation, to be chosen from among corporations organized and operating_within the United States with assets in excess of $500,000,000.00 and having an "A" or higher rating for the issuer's debt, other than commercial paper, as provided for by Moody's Investors Service or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed two hundred seventy (270) days in maturity and may not exceed forty percent (40%) of the treasury fund balance.

(h) **Negotiable certificates of deposit** issued by a nationally or state-chartered bank, a state or federal association or by a state-licensed branch of a foreign bank selected on the basis of financial stability and credit rating criteria employed by the County Director of Finance. Negotiable certificates of deposit may not exceed thirty percent (30%) of the treasury fund balance.

i) **Non-negotiable certificates of deposit (Time Deposits)** with a nationally or state-chartered bank or a state or federal association selected on the basis of financial stability, credit rating and reputation using criteria employed by the County Director of Finance fully collateralized at one hundred ten percent (110%) of market value with U.S. Government Securities, high-grade Municipal Bonds, instruments of federal agencies, including mortgage backed securities at one hundred fifty percent (150%) of market value with promissory notes secured by first deeds of trust upon improved residential real property as provided by the Government Code.

(j) **Medium-term Notes** rated "A" or better, to be chosen from among corporations with assets in excess of $500,000,000.00 with a maturity not to exceed two years from the date of purchase. Purchase of eligible medium-term notes may not exceed thirty percent (30%) of the treasury fund balance.

(k) **Shares of beneficial interest issued by diversified management companies**, which are money market funds investing in securities and obligations as authorized by this investment policy. To be eligible for investment these companies shall attain the highest ranking or the highest letter and numerical rating provided by no less than two nationally recognized statistical rating organizations and have assets under management in excess of $500,000,000.00. The purchase price may not include any commissions that these companies may charge, and the purchase of shares in any one mutual fund may not exceed ten percent (10%) of the treasury balance and the total invested my not exceed twenty percent (20%) of the treasury balance. Shares of beneficial interest issued by diversified management companies may include shares in investment trusts established under provisions of the California Joint Exercise of Powers Act.

(l) **Repurchase agreements** on any investment authorized by this investment policy where the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at one hundred two percent (102%) or greater of the funds borrowed against those securities, and the value shall be adjusted daily. The County Director of Finance or designee must approve any collateral substitution by the seller, and any new collateral should be reasonably identical to the original collateral in terms of maturity, yield, quality and liquidity.

(m) **California State Local Agency Investment Pool (LAIF)** operated by the State Treasurer's office.

(n) **Financial Institution Investment Accounts** All funds on deposit with the County shall be managed by the Director of Finance. The Director of Finance may, at his option, at the time of placement, place not more than five percent (5%) of the Treasury assets at the time of investment with a financial institution for the purpose of managing such funds. Securities eligible for purchase by the financial institution are limited to United States Treasury and Agency obligations with a "AAA" credit quality rating, must be held in the County's name in a third party custody account, may not have a remaining maturity in excess of three (3) years, and the account shall have an average maturity of 1.5 years or less. All security transactions shall be supervised and approved by designated staff on the Authorized Investor List.

Where a percentage limitation is specified for a particular category of investments, that percentage is applicable only at the time of purchase.

7. *PROHIBITED INVESTMENTS*

(a) The County Director of Finance **shall not invest** in any **Derivatives** such as inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages or any security bearing a rate of interest which is not known at the time of purchase.

(b) The County Director of Finance shall not invest any funds in any security that could result in **zero interest accrual** if held to maturity or where there is a risk of loss of principal when held to maturity.

(c) **Reverse repurchase agreements**, securities lending agreements and all other investments that are not specifically allowed by this investment policy are prohibited.

(d) In accordance with Marin County's Nuclear Freeze Ordinance Measure "A" (Exhibit 1) as approved by the voters on November 4, 1986, the County is prohibited from investing in securities or other obligations of any corporation or business entity which is a **nuclear weapons contractor**.

Furthermore, said corporations or business entities that the County Director of Finance does invest in must file an affidavit as required by Measure "A" Section VI. B certifying that neither it, nor its parent company, affiliates or subsidiaries are nuclear weapons contractors. A copy of each affidavit received shall be sent to the Peace Commission.

8. BROKERS

Broker/dealers shall be selected by the Director of Finance upon recommendation by the Investment Officer or designated principal staff on the Authorized Investor List. Selection of broker/dealers shall be based upon the following criteria: the reputation and financial strength of the company or financial institution and the reputation and expertise of the individuals employed. The Director of Finance shall be prohibited from selecting any broker, brokerage firm, dealer, or securities firm that has, within any 48 consecutive month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, any member of the Board of Supervisors, any member of the governing board of a local agency having funds held in the County Treasury, or any candidate for those offices. The broker/dealers shall be provided with and acknowledge receipt of the County Investment Policy.

9. WITHDRAWALS

No withdrawals from the Marin County Pool shall be made for the purpose of investing and or depositing those funds outside the pool without the prior approval of the Marin County Director of Finance. The Director of Finance shall evaluate each proposed withdrawal to assess the effect the withdrawal will have upon the stability and predictability of the investments in the County Treasury. Approval shall be given unless the withdrawal will adversely affect the interests of the other depositors. Requests for withdrawals for the purpose of investing or depositing funds outside the pool shall be made in writing at least ten (10) business days in advance of the proposed withdrawal date. Notice in writing of at least five (5) business days shall be required for withdrawals in excess of $250,000.00 for loan repayments, capital expenditures and any expenditure not in the ordinary course of operations.

10. SWAPS

Securities can be swapped for other approved securities with similar maturity schedules to gain higher rates of return. When a swap involves a change in liquidity, future cash needs shall be conservatively estimated.

11. LOSSES

Losses are acceptable on a sale before maturity, and may be taken if the reinvestment proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment, considering any investment loss or foregoing interest on the original investment.

12. *DELIVERY & SAFEKEEPING*

Delivery of all securities shall be through a third party custodian. Non-negotiable certificates of deposit and notes of local agencies may be held in the Director of Finance's safe. The County's safekeeping agent shall hold all other securities. No security shall be held in safekeeping by the broker/dealer from whom it was purchased. Settlement payment in a securities transaction will be against delivery only, and a Due Bill or other substitution will not be acceptable. Persons authorized under section three (3) who did not originate the investment transaction shall review all confirmations for conformity with the original transaction. Confirmations resulting from securities purchased under a repurchase agreement shall state the exact and complete nomenclature of the underlying securities purchased.

13. *APPORTIONMENT OF INTEREST & COSTS*

Interest shall be apportioned to all pool participants quarterly based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the investment pool. The amount of interest apportioned shall be determined using the cash method of accounting whereby interest will be apportioned for the quarter in which it was actually received. The Director of Finance shall deduct from the gross interest received those actual administrative costs relating to the management of the treasury including salaries and other compensation, banking costs, equipment purchased, supplies, costs of information services, audits and any other costs as provided by Section 27013 of the Government Code.

14. *CONFLICT OF INTEREST*

A member of the county treasury oversight committee, the County Director of Finance or County employees working in the Treasurer's office shall not accept honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the county treasury conducts business, consistent with state law.

15. *AUDITS*

The County of Marin investment portfolio shall be subject to a process of independent review by the County's external auditors. The County's external auditors shall review the investment portfolio in connection with the annual county audit for compliance with the statement of investment policy pursuant to Government Code Section 27134. The results of the audit shall be reported annually to the Director of Finance and the Marin County Treasury Oversight Committee.

15.1 Compliance Audit: Government Code Section 27134
The Treasury Oversight Committee shall cause an annual audit to be conducted to determine the County Treasury's compliance with Article 6 of the Government Code. This audit may include issues relating to the structure of the investment portfolio and risk

16. REVIEW

The Director of Finance and designated staff will perform a monthly review of the investment function.

17. REPORTS

The Director of Finance shall prepare a monthly report listing all investments in the County Pool as of the last day of the month and a report of the average days to maturity and yield of investments in the County Pool. The Director of Finance shall also prepare a monthly report for all non-pooled investments. These reports shall be distributed to the Marin County Board of Supervisors, Superintendent of Schools, Marin Public School Agencies, Special Districts, non-pooled investors, the County's investment oversight committee, and any other participant upon request.

18. INVESTMENT POLICY

The County Director of Finance shall prepare and submit an annual statement of investment policy to the Board of Supervisors.

19. TREASURY OVERSIGHT COMMITTEE

Consistent with State law the County has established a Treasury Oversight Committee. The Committee includes representatives from the County of Marin, Superintendent of Schools' Office, School Districts and Special Districts. The Committee shall review and monitor the Investment Policy as contained in California Government Code Sections 27130 – 27137.

20. *DISASTER /BUSINESS CONTINUITY PLAN*

The County of Marin's banking and investment functions are mission critical and as such, the office must have a business continuity plan.

The goal of a disaster/business recovery plan is to protect and account for all funds on deposit with the county treasury and to be able to continue our banking and investment functions for all participants in the event of an occurrence (Earthquake, Fire, Pandemic or other event) which disrupt normal operations. Our plan provides for the ability to perform our banking and investment function at an off-site location under less than optimal conditions and, if needed, even outside our county.

In the event of an occurrence which precludes staff from being able to operate from our office, the attached plan (exhibit 2) will be activated. The plan includes:

- Scope
- Chain of Command
- Continuity Procedure
- Functions and Tasks to be performed
- Equipment and Emergency Packets
- Disaster Assignment
- Off-site locations

Normal processes may be modified in response to an occurrence. However, the county's investment policy shall be strictly followed.

COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY

Dated: July 1, 2019

Roy Given
Director of Finance

Reviewed and monitored by Marin Treasury Oversight Committee on November 18, 2019

Approved by Marin County Board of Supervisors on December XX, 2019

Attachments:

Exhibit 1 Marin County Nuclear Freeze Ordinance

Exhibit 2 Disaster/Business Continuity Plan

Exhibit 3 Authorized Investor List

COUNTY OF MARIN

TREASURER'S OFFICE

AUTHORIZED INVESTOR LIST

FY2019-2020

Effective: July 29, 2019

Investment Purposes:

1. To make investment decisions
2. To recommend brokers
3. To perform a review of the investment function

Authorized Persons:

Authorized to make investment decisions for with a maturity of up to five years:

- Roy Given * Director of Finance

Authorized to make investment decisions for *with a maturity of up to three years:*

- Karen Shaw * Division Chief, Finance
- Mina Martinovich Assistant Director of Finance

Authorized to make investment decisions for *short term investments with a maturity of up to one year:*

- Lisa De Carlo Chief of Administrative Services
- Bevin Gardner Accountant II –Treasury
- Sandra Kacharos Division Chief, Tax

***Authorized for equipment and emergency packets as defined under the Disaster/Business Continuity Plan**

Approved:

7/29/19

Roy Given Date
Director of Finance

COUNTY OF MARIN

DEPARTMENT OF FINANCE
DISASTER RECOVERY/BUSINESS CONTINUITY PLAN
BANKING AND INVESTMENT FUNCTIONS

Scope

The County of Marin's banking and investment functions are mission critical. As such, the Treasurer's office must have a Disaster/Business Continuity Plan in place. In the event we are unable to operate from our office, the plan shall be activated. Periodically, the plan shall be tested.

The plan's goal is to protect and account for all funds on deposit with the county and to be able to continue our banking and investment functions for all participants in the event of occurrence (earthquake, fire, pandemic, or other event) which disrupts normal operations.

Chain of Command

The chain of command shall be in the order of "authorized persons" as identified in the Statement of Investment Policy, item 3.

Continuity Procedure

In the event we are unable to conduct normal business operations, the authorized persons shall interact with one another by home phone, email or cell to decide on the alternate location. If unable to contact one another, the authorized persons shall through the county's office of emergency services establish contact with one another.

Functions & Tasks to be Performed

Recognizing we may be operating in less than optimal conditions, the primary functions are to protect and continue to account for all funds on deposit with the county. While normal processes may be modified, the investment policy shall be strictly followed.

Tasks to be performed include:

- Daily cash work up
- Investment of maturing securities and any daily deposits after making an allowance for checks/wires expected to clear
- Daily cash and bank reconciliation
- For deposits, the treasurer's office will notify county departments, special districts and schools of any changes to their deposit location. Deposits to any account other than those established by the treasurer's office are prohibited.
- Disbursement activity will be coordinated with the County Director of Finance

Equipment and Emergency Packets

The Authorized Investor List shall designate authorized staff to have the following equipment such that either of them may carry out the plan. In the event that none of the authorized persons are able to respond, the county's office of Emergency Services shall have a copy of this plan in a secured location within their office. All policies and procedures of this plan shall be provided to the County Administrator and County Director of Finance.

The following equipment and items for the emergency packets are:

- Laptop with wi-fi connectivity
- All software that is currently in use shall be loaded on each laptop and be set up for remote access.
- Copy of the Investment Policy and the Disaster/Continuity Recovery Plan
- Updated monthly report of investments
- Sign on instructions to access the county's financial accounting system, online banking and securities safekeeping
- Listing of the home phones and addresses, cell, email addresses of the "authorized persons" and treasury staff. Listings shall also include the County Administrator, County Director of Finance, County Counsel and the Office of Emergency Services.
- Bank, Authorized Broker/Dealers, Bloomberg and Security Safekeeping names, contact numbers including fax and addresses
- All district, county and school bank signature cards
- Contact names, numbers, email and addresses of each agency whose funds are held within the county.
- Emergency check stock will be housed in the Office of Emergency Services located at 1600 Los Gamos Drive (50 checks).*

Disaster Assignment

The "authorized persons" in the treasurer's office including support staff are to be considered official Disaster workers and are assigned to support our Disaster/Business Recovery Plan. Each shall have on their possession their County of Marin Identification Card.

The level of disruption and assigned work location will be determined by the Director of Finance, or those individuals indicated on the Authorized Investor List. All related costs shall be absorbed by the Treasurer's office and reimbursed pursuant to Government section 27013.

In all cases, the safety of treasury personnel is paramount. In no event should our alternate location or alternate procedure be employed if doing such would put an individual in danger.

* Emergency checks are issued from a separate account which is linked to the County's main account. These checks are to be used only if this plan is activated and the county is unable to issue payments. Authorized signers for these checks are designated on the Deposit Account Documentation Signature Card and include the Director of Finance, those individuals authorized under the Authorized Investor List and the County Administrator. In the event that check stock cannot be accessed, electronic payments through the County's banking services can be originated.

Failing the ability to operate from our office, our operations will move to a location determined by the County Office of Emergency Services, Director of Finance or County Administrator.

APPENDIX G

FORM OF DELAYED DELIVERY CONTRACT

Raymond James & Associates, Inc.
880 Carillion Parkway
Tower 3, Third Floor
St. Petersburg, Florida 33716

RE: $7,725,000 2021 General Obligation Refunding Bonds (2000 Election and 2011 Election) Series A (Forward Delivery)

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby agrees to purchase from Raymond James & Associates, Inc. (the "Underwriter"), when, as, and if issued and delivered to the Underwriter by the Larkspur-Corte Madera School District (the "District"), and the Underwriter agrees to sell to the Purchaser:

Series	Par Amount	Maturity Date	Interest Rate	CUSIP Number	Yield	Price

of the above-referenced bonds (the "Purchased Bonds") offered by the District under the Preliminary Official Statement dated February 17, 2021 (the "Preliminary Official Statement") and the Official Statement relating to the Purchase Bonds dated February 23, 2021 (the "Official Statement"), receipt and review of copies of which is hereby acknowledged, at the purchase price and with the interest rates, principal amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Delayed Delivery Contract. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Official Statement. The Purchased Bonds are being purchased by the Underwriter pursuant to a Forward Delivery Bond Purchase Agreement between the District and the Underwriter (the "Forward Delivery Bond Purchase Agreement").

The Purchaser hereby confirms that it has received and reviewed the Preliminary Official Statement and the Official Statement (including, without limitation, the section entitled "INTRODUCTION - Certain Considerations Regarding Forward Delivery of the Tax-Exempt Bonds"), has considered the risks associated with purchasing the Purchased Bonds and is duly authorized to purchase the Purchased Bonds. The Purchaser acknowledges and agrees that the Purchased Bonds are being sold on a "forward" basis, and the Purchaser hereby purchases and agrees to accept delivery of the Purchased Bonds from the Underwriter on or about May 4, 2021 (the "Settlement Date"), as they may be issued and delivered in accordance with the Forward Delivery Bond Purchase Agreement.

Payment for the Purchased Bonds on the Settlement Date shall be made to the Underwriter or upon its order on the Settlement Date upon delivery to the Purchaser of the Purchased Bonds through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall the Underwriter be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer the District does not for any reason issue and deliver the above-referenced Bonds.

Upon issuance by the District of the Bonds and purchase thereof by the Underwriter, the obligation of the Purchaser to take delivery of the Purchased Bonds hereunder shall be unconditional except in the event that between the date of this Delayed Delivery Contract and the Settlement Date one of the following events shall have occurred:

(1) there shall have been a Change in Law (defined below);

(2) as a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State either enacted, issued, effective, adopted or proposed (but only with respect to any such proposed legislation, regulation, ruling, order, release, court decision or judgment or action which continues to be proposed as of the Settlement Date), or for any other reason, Bond Counsel cannot issue an opinion substantially in the form attached to the Official Statement as APPENDIX B to the effect that (a) the interest on the Purchased Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code (or comparable provisions of any successor federal tax laws), and (b) the interest on the Purchased Bonds is exempt from State of California personal income taxes;

(3) legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the Securities Exchange Commission which, in the reasonable opinion of the Underwriter, following consultation with the District, has the effect of requiring the Purchased Bonds to be registered under the Securities Act of 1933, as amended, or requires the qualification of the Resolution under the Trust Indenture Act of 1939, as amended, or an event shall occur which would cause the sale of the Purchased Bonds to be in violation of any provision of the federal or State of California securities laws;

(4) the Official Statement as of the date of Closing (as defined in the Forward Delivery Bond Purchase Agreement) (which is expected to occur on or about March 11, 2021), or the Updated Official Statement to be provided by the District pursuant to the terms of the Forward Delivery Bond Purchase Agreement as of the Settlement Date, contained or contains an untrue statement or misstatement of material fact or omitted or omits to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect; or

(5) as of the Settlement Date, the Purchased Bonds are no longer rated investment grade by S&P Global Ratings.

The Underwriter shall notify the Purchaser promptly in the event that the Underwriter becomes aware of the occurrence of any of the events described in clauses (1) through (5) above.

A "Change in Law" means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Settlement Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would, (A) as to the Underwriter, prohibit the Underwriter from completing the underwriting of the Purchased Bonds or selling the Purchased Bonds or the beneficial ownership interests therein to the public, or (B) as to the District, would make the completion of the issuance, sale or delivery of the Purchased Bonds illegal.

If the Change of Law completely eliminates the exclusion from gross income for federal income tax purposes of interest payable on "state or local bonds," the Underwriter would not be obligated to purchase the Purchased Bonds from the District, and the Purchaser would not be required to accept delivery of the Purchased Bonds from the Underwriter.

The Purchaser acknowledges and agrees that the Purchased Bonds are being sold on a "forward" or "delayed delivery" basis for delivery on the Settlement Date and that the Purchaser is obligated to take up and pay for the Purchased Bonds on the Settlement Date unless one of the five events described above shall have occurred.

The Purchaser acknowledges that it will not be able to withdraw its order as described herein, and will not otherwise be excused from performance of its obligations to take up and pay for the Purchased Bonds on the Settlement Date because of market or credit changes, including specifically, but not limited to (a) except for the rating change described in event number 5 above, changes in the ratings assigned to the Purchased Bonds between the date of Closing and the Settlement Date or changes in the credit associated with the Purchased Bonds generally, and (b) changes in the financial condition, operations, performance, properties or prospects of the District from the date hereof to the Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Purchased Bonds in accordance with the terms hereof, even if the Purchaser decides to sell the Purchased Bonds following the date hereof, unless the Purchaser sells the Purchased Bonds to another institution with the prior written consent of the Underwriter and such institution provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as that executed by the Purchaser.

The Purchaser represents and warrants that, as of the date of this Delayed Delivery Contract, the Purchaser is not prohibited from purchasing the Purchased Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject. Each of the undersigned parties represents and warrants that it has the power and authority to enter into this Delayed Delivery Contract and to perform its obligations hereunder.

The Purchaser agrees that it will at all times satisfy the minimum initial and maintenance margin requirements of Regulation T of the Board of Governors of the Federal Reserve System, Rule 431 of the New York Governors of the Federal Reserve System, Rule 4210 of the Financial Industry Regulatory Authority, and any other margin regulations applicable to the Underwriter.

This Delayed Delivery Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party without the prior written consent of the other.

The Purchaser acknowledges that the Underwriter is entering into Forward Delivery Bond Purchase Agreement with the District to purchase the Purchased Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

This Delayed Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

It is understood that the acceptance by the Underwriter of any Delayed Delivery Contract (including this one) is in the Underwriter's sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Delayed Delivery Contract is acceptable to the Underwriter, it is requested that the Underwriter sign the form of acceptance below and mail, email or otherwise deliver one of the counterparts hereof to the Purchaser at its address set forth below. This will become a binding contract between the Underwriter, and the Purchaser when such counterpart is so mailed, emailed or otherwise delivered by the Underwriter. This Delayed Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

This Delayed Delivery Contract shall be construed and administered under the laws of the State of New York.

[PURCHASER]

By: ______________________________
Name: ____________________________
Title: _____________________________
Address: __________________________
Telephone: ________________________
Accepted: _________________________

RAYMOND JAMES & ASSOCIATES, INC.

By: ______________________________
Name: ____________________________
Title: _____________________________