

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022.

\$9,000,000
SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
Election of 2022 General Obligation Bonds, Series A
(Bank Qualified)

Dated: Date of Delivery

Due: August 1, as shown on inside front cover page

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. Capitalized terms used on this cover page but not otherwise defined shall have the meanings assigned thereto herein.

The Selma Unified School District (Fresno County, California) Election of 2022 General Obligation Bonds, Series A (Bank Qualified) (the “Bonds”) were authorized at an election of the registered voters of the Selma Unified School District (the “District”) held on November 8, 2022, at which the requisite 55% of the persons voting on the proposition voted to authorize the issuance and sale of \$36,000,000 aggregate principal amount of general obligation bonds of the District. The Bonds are being issued to finance the repair, upgrading, acquisition, construction and equipping of District sites and facilities, and to pay the costs of issuing the Bonds.

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

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (collectively referred to herein as “DTC”). Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. Interest on the Bonds accrues from the date of initial delivery and issuance of the Bonds (the “Date of Delivery”), and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2024.

Payments of principal of and interest on the Bonds will be made by U.S. Bank Trust Company, National Association, as the designated Paying Agent, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds. See “THE BONDS – Book-Entry Only System” herein.

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

The scheduled payment of the principal of and interest on the Bonds maturing on and after August 1, 2025 (the “Insured Bonds”) when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company. See “THE BONDS – Bond Insurance” herein and “APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY” attached hereto.



MATURITY SCHEDULE
(see inside front cover page)

The Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel. The Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about July 27, 2023.

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MATURITY SCHEDULE

\$9,000,000

SELMA UNIFIED SCHOOL DISTRICT

(Fresno County, California)

Election of 2022 General Obligation Bonds, Series A

(Bank Qualified)

Base CUSIP⁽¹⁾: 816547

\$3,650,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP⁽¹⁾ Suffix
2024 ⁽²⁾	\$825,000	5.000%	3.130%	JA2
2025	955,000	5.000	3.060	JB0
2026	1,050,000	5.000	2.980	JC8
2032	100,000	5.000	2.900 ⁽³⁾	JD6
2033	100,000	5.000	2.950 ⁽³⁾	JE4
2034	100,000	5.000	3.060 ⁽³⁾	JF1
2035	100,000	5.000	3.160 ⁽³⁾	JG9
2036	120,000	5.000	3.290 ⁽³⁾	JH7
2037	140,000	5.000	3.440 ⁽³⁾	JJ3
2038	160,000	5.000	3.540 ⁽³⁾	JK0

\$1,155,000 – 4.000% Term Bonds due August 1, 2043; Yield: 4.130%; CUSIP⁽¹⁾ Suffix: JL8

\$1,915,000 – 5.250% Term Bonds due August 1, 2048; Yield: 4.010⁽³⁾%; CUSIP⁽¹⁾ Suffix: JM6

\$2,280,000 – 4.125% Term Bonds due August 1, 2052; Yield: 4.320%; CUSIP⁽¹⁾ Suffix: JN4

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⁽²⁾ Uninsured.

⁽³⁾ Yield to call at par on August 1, 2031.

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

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

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

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

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

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

The District maintains a website and certain social media accounts. However, the information presented on the District’s website and social media accounts is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “THE BONDS – Bond Insurance” herein and in “APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY” attached hereto.

SELMA UNIFIED SCHOOL DISTRICT

Board of Trustees

Rosemary Alanis, *President, Area 1 Trustee*
Narinder Sahota, *Vice President, Area 2 Trustee*
Joel Fedor, *Clerk, Area 3 Trustee*
Estella Kessler, *Member, Area 4 Trustee*
Mark Medina, *Member, Area 5 Trustee*

District Administration

Edward Gomes, *Superintendent**
Andrea Affrunti, *Assistant Superintendent, Business and Support Services*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

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

Municipal Advisor

Keygent LLC
El Segundo, California

Paying Agent, Registrar, and Transfer Agent

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

* Mr. Gomes served as Interim Superintendent of the District until June 30, 2023; effective July 1, 2023, Mr. Gomes began serving as the Superintendent of the District.

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\$9,000,000
SELMA UNIFIED SCHOOL DISTRICT
(Fresno County, California)
Election of 2022 General Obligation Bonds, Series A
(Bank Qualified)

INTRODUCTION

This Official Statement, which includes the cover page, inside front cover page and appendices hereto, provides information in connection with the sale of the Selma Unified School District (Fresno County, California) Election of 2022 General Obligation Bonds, Series A (Bank Qualified), in the principal amount of \$9,000,000 (the “Bonds”).

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

Changes Since the Preliminary Official Statement

Since the publication of the Preliminary Official Statement for the Bonds, the Governor of California has signed into law the State budget for fiscal year 2023-24 (herein defined as the “2023-24 Budget”). As a result, information regarding the 2023-24 Budget has been added under the heading “DISTRICT FINANCIAL INFORMATION – State Budget Measures” herein. Also, information regarding Proposition 51 has been removed, as the last of the fundings from Proposition 51 were allocated in the prior year’s State budget.

The District

The Selma Unified School District (the “District”) was established on July 1, 1966, and is located in the southern portion of Fresno County (the “County”), State of California (the “State”). The District serves the City of Selma and the surrounding rural area. The District operates seven elementary schools, one middle school, one high school, one adult high school, and one alternative school. For fiscal year 2022-23, the District has an enrollment of 5,939 students, an average daily attendance (“ADA”) of 5,540.25, and a total assessed valuation of \$2,141,072,627. For fiscal year 2023-24, the District has budgeted an enrollment of 5,933 and an ADA of 5,595.64.

The District is governed by a five-member Board of Trustees (the “Board”), each member of which is elected by trustee area to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Superintendent appointed by the Board, who is responsible for day-to-day District operations, as well as the supervision of the District’s other key personnel. Edward Gomes is currently the District’s Interim Superintendent through June 30, 2023. Effective July 1, 2023, Mr. Gomes will serve as the District’s Superintendent.

See “SELMA UNIFIED SCHOOL DISTRICT” and “DISTRICT FINANCIAL INFORMATION” herein for information regarding the District generally and “TAX BASE FOR REPAYMENT OF BONDS” herein for information regarding the District’s assessed valuation. The audited financial statements of the District for fiscal year ending June 30, 2022 are attached hereto as APPENDIX B, and should be read in their entirety.

Purpose of the Bonds

The Bonds are being issued to finance the repair, upgrading, acquisition, construction and equipping of District sites and facilities, and to pay the costs of issuing the Bonds. See also “THE BONDS – Application and Investment of Bond Proceeds” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Authority for Issuance of the Bonds

The Bonds are being issued pursuant to certain provisions of the Government Code and other applicable law, and pursuant to a resolution adopted by the Board on May 9, 2023 (the “Resolution”). See “THE BONDS – Authority for Issuance” herein.

Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except with respect to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds when due. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS” herein.

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered book-entry form only, without coupons. 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 for the Bonds. See “THE BONDS – General Provisions” and “— Book-Entry Only System” herein. Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interest in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution. See “THE BONDS – Discontinuation of Book-Entry Only System; Registration, Payment and Transfer of Bonds” herein.

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

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of \$5,000 principal amount, or any integral multiple thereof.

Redemption. Certain of the Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as further described herein. See “THE BONDS – Redemption” herein.

Payments. The Bonds will be dated as of the date of initial delivery (the “Date of Delivery”) and will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery and be payable semiannually on February 1 and August 1 of each year (each a “Bond Payment Date”), commencing February 1, 2024. Principal of the Bonds is payable on August 1 in the amounts and years as set forth on the inside front cover page hereof.

Payments of the principal of and interest on the Bonds will be made by the designated paying agent, registrar and transfer agent (the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners of the Bonds. U.S. Bank Trust Company, National Association has been appointed to act as Paying Agent for the Bonds.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”) under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State personal income tax. See “TAX MATTERS” herein with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about July 27, 2023.

Bank Qualified

The District will designate the Bonds as “qualified tax-exempt obligations,” thereby allowing certain financial institutions that are holders of such qualified tax-exempt obligations to deduct a portion of such institution’s interest expense allocable to such qualified tax-exempt obligations, all as determined in accordance with Section 265(b)(3) of the Code (as defined herein). See “LEGAL MATTERS – Bank Qualified” herein.

Continuing Disclosure

The District will covenant for the benefit of Owners and Beneficial Owners to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events in compliance with Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) (the “Rule”). These covenants have been made in order to assist the Underwriter (defined herein) in complying with the Rule. The specific nature of the information to be made available and of the notices of listed events required to be provided are summarized in APPENDIX C attached hereto.

Bond Owner’s Risks

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District, see “TAX BASE FOR REPAYMENT OF BONDS,” “DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19,” and “LIMITATION ON REMEDIES; BANKRUPTCY” herein.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Keygent LLC, El Segundo, California is acting as Municipal Advisor to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation, and Keygent LLC will receive compensation from the District contingent upon the sale and delivery of the Bonds. U.S. Bank Trust Company, National Association, Los Angeles, California will act as Paying Agent with respect to the Bonds.

Forward Looking Statements

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

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

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 Selma Unified School District, 3036 Thompson Avenue, Selma, California 93662, telephone: (559) 898-6500. The District may impose a charge for copying, mailing and handling.

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

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

Certain of the information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or

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

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Act”), commencing with Section 53506 *et seq.*, as amended, Article XIII A of the State Constitution (“Article XIII A”) and pursuant to the Resolution. The District received authorization at an election held on November 8, 2022 by the requisite 55% of the votes cast by eligible voters within the District to issue \$36,000,000 aggregate principal amount of general obligation bonds (the “2022 Authorization”). The Bonds are the first issuance of bonds pursuant to the 2022 Authorization, and following the issuance thereof, \$27,000,000 of the 2022 Authorization will remain unissued.

See “SELMA UNIFIED SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds” herein for additional information about the District’s outstanding general obligation bonds.

Security and Sources of Payment

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

Such *ad valorem* property taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The County, however, is not obligated to establish or maintain such a reserve for the Bonds, and the District can make no representation that such reserve will be established by the County or that such a reserve, if previously established by the County, will be maintained in the future. Such taxes, when collected, will be placed by the County in the Debt Service Fund (defined herein) established by the Resolution, which fund is required to be segregated and maintained by the County and which is designated for the payment of the Bonds and interest thereon when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Building Fund (defined herein) and the Debt Service Fund, no part of any fund or account of the County is pledged or obligated to the payment of the Bonds and the Bonds are not a debt (or a pledge of the full faith and credit) of the County.

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

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

Bond Insurer. In the event of a default of the payment of principal or interest on the Insured Bonds, when all or some becomes due, any Owner of an Insured Bond may have a claim under the Policy (as defined herein) secured in connection with the Insured Bonds. The Policy may not insure against redemption premium, if any, with respect to the Insured Bonds.

In the event that the Insurer is unable to make payment of principal of and interest on the Insured Bonds as such payments become due under the Policy, the Insured Bonds will be payable solely as otherwise described herein. In the event that the Insurer becomes obligated to make payments on the Insured Bonds, no assurance can be given that such event would not adversely affect the market price of the Insured Bonds or the marketability (liquidity) of the Insured Bonds. See "THE BONDS – Bond Insurance," and "MISCELLANEOUS – Ratings" herein.

Bond Insurance

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM" or the "Insurer") will issue its Municipal Bond Insurance Policy for the Insured Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as APPENDIX F to this Official Statement. The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company. BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts

of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

Capitalization of BAM. BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$476.6 million, \$196.7 million and \$279.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "THE BONDS – Bond Insurance".

Additional Information Available from BAM.

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise.

Statutory Lien

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

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, both as to principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the

levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Beneficial Owners will not receive physical certificates representing their interests in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. The Bonds will be dated as of the Date of Delivery.

Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each Bond Payment Date, commencing February 1, 2024. Interest on the Bonds will be computed on the basis of a 360-day year of 12, 30-day months. Each Bond will bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2024, in which event it will bear interest from the Date of Delivery. The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof. Principal of the Bonds is payable on August 1, in the years and amounts set forth on the inside front cover page hereof.

Payments. Payment of interest on any Bond on any Bond Payment Date will be made to the person appearing on the registration books of the Paying Agent as the Owner of such Bond as of the 15th day of the month immediately preceding such Bond Payment Date (the “Record Date”), such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal and redemption premiums, if any, payable on the Bonds are payable upon maturity or earlier redemption, as applicable, upon surrender at the designated office of the Paying Agent. The principal of, and interest, and redemption premiums, if any, on the Bonds are payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered Owner of the Bonds. See “THE BONDS – Book-Entry Only System” herein.

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Annual Debt Service

The following table shows the annual debt service requirements for the Bonds, assuming no optional redemptions are made:

Year Ending (August 1)	Annual Principal Payment	Annual Interest Payment⁽¹⁾	Total Annual Debt Service
2024	\$825,000.00	\$427,990.69	\$1,252,990.69
2025	955,000.00	382,037.50	1,337,037.50
2026	1,050,000.00	334,287.50	1,384,287.50
2027	--	281,787.50	281,787.50
2028	--	281,787.50	281,787.50
2029	--	281,787.50	281,787.50
2030	--	281,787.50	281,787.50
2031	--	281,787.50	281,787.50
2032	100,000.00	281,787.50	381,787.50
2033	100,000.00	276,787.50	376,787.50
2034	100,000.00	271,787.50	371,787.50
2035	100,000.00	266,787.50	366,787.50
2036	120,000.00	261,787.50	381,787.50
2037	140,000.00	255,787.50	395,787.50
2038	160,000.00	248,787.50	408,787.50
2039	185,000.00	240,787.50	425,787.50
2040	205,000.00	233,387.50	438,387.50
2041	230,000.00	225,187.50	455,187.50
2042	255,000.00	215,987.50	470,987.50
2043	280,000.00	205,787.50	485,787.50
2044	310,000.00	194,587.50	504,587.50
2045	345,000.00	178,312.50	523,312.50
2046	380,000.00	160,200.00	540,200.00
2047	420,000.00	140,250.00	560,250.00
2048	460,000.00	118,200.00	578,200.00
2049	505,000.00	94,050.00	599,050.00
2050	545,000.00	73,218.76	618,218.76
2051	590,000.00	50,737.50	640,737.50
2052	<u>640,000.00</u>	<u>26,400.00</u>	<u>666,400.00</u>
Total	<u>\$9,000,000.00</u>	<u>\$6,573,859.45</u>	<u>\$15,573,859.45</u>

⁽¹⁾ Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2024.

See also “SELMA UNIFIED SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds” herein for a summary of the debt service requirements of all of the District’s outstanding general obligation bonds.

Redemption

Optional Redemption. The Bonds maturing on or before August 1, 2026 are not subject to redemption prior to their fixed maturity dates. The Bonds maturing on or after August 1, 2032 may be redeemed 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 such Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Redemption. The Bonds maturing on August 1, 2043 (the “2043 Term Bonds”), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2039, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such 2043 Term Bonds to be so redeemed, the dates therefor, and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount
2039	\$185,000
2040	205,000
2041	230,000
2042	255,000
2043 ⁽¹⁾	<u>280,000</u>
Total	<u>\$1,155,000</u>

⁽¹⁾ Maturity.

In the event that a portion of the 2043 Term Bonds is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such 2043 Term Bonds optionally redeemed.

The Bonds maturing on August 1, 2048 (the “2048 Term Bonds”), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2044, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such 2048 Term Bonds to be so redeemed, the dates therefor, and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount
2044	\$310,000
2045	345,000
2046	380,000
2047	420,000
2048 ⁽¹⁾	<u>460,000</u>
Total	<u>\$1,915,000</u>

⁽¹⁾ Maturity.

In the event that a portion of the 2048 Term Bonds is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such 2048 Term Bonds optionally redeemed.

The Bonds maturing on August 1, 2052 (the “2052 Term Bonds”), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2049, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such 2052 Term Bonds to be so redeemed, the dates therefor, and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount
2049	\$505,000
2050	545,000
2051	590,000
2052 ⁽¹⁾	<u>640,000</u>
Total	<u>\$2,280,000</u>

⁽¹⁾ Maturity.

In the event that a portion of the 2052 Term Bonds is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such 2052 Term Bonds optionally redeemed.

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

Redemption Notice. When optional redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a “Redemption Notice”) of the redemption of the Bonds (or portions thereof). Such Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount 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.

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

“Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”); or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

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

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

Payment of Redeemed Bonds. When a notice of redemption has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is irrevocably set aside in trust for that purpose, as described in “— Defeasance” herein, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

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

Effect of Redemption Notice. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest accrued to such redemption date, is held by an independent escrow agent selected by the District so as to be available therefor on such redemption date as described in “— Defeasance” herein, and if a Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable. All money held for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

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

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

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

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 Direct Participants or Indirect Participants (as defined herein) (collectively, the "DTC Participants") will distribute to the Beneficial Owners (a) payments of principal of, interest on, or premium, if any, with respect to the Bonds, (b) certificates 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, Direct Participants or 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 "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of 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 a Standard & Poor’s rating of “AA+”. The DTC Rules applicable to DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. However, the information presented on such website is not incorporated herein by any reference to such website.

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

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

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

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

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

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the

District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC 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 redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this 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.

So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners" or "Holders" of the Bonds (other than under the captions "TAX MATTERS" herein and "APPENDIX A" attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Discontinuation of Book-Entry Only System; Registration, Payment and Transfer of Bonds

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

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

The principal of the Bonds and any premium and interest upon the redemption thereof will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated office of the Paying Agent. Interest on the Bonds will be paid by the Paying Agent by wire to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount thereof, as applicable) upon presentation and surrender at the designated trust office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is

registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, 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 Transfer 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 (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

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

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

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with amounts transferred from the Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

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

“Government Obligations” means direct and general obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips) or obligations the payment of the principal of and interest on which is secured, guaranteed or otherwise backed by, directly or indirectly, a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy

any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") or Moody's Investors Service ("Moody's").

Application and Investment of Bond Proceeds

The Bonds are being issued to finance the repair, upgrading, acquisition, construction and equipping of District sites and facilities, and to pay the costs of issuing the Bonds.

Building Fund. The proceeds of the sale of the Bonds will be deposited in the "Selma Unified School District Election of 2022 General Obligation Bonds, Series A Building Fund" (the "Building Fund") and will be applied solely for the purposes authorized by the voters pursuant to the 2022 Authorization and for which the Bonds are issued. Any interest earnings on moneys held in the Building Fund will be retained therein. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued will be transferred to the Debt Service Fund and applied to the payment of the principal of and interest on the Bonds.

Debt Service Fund. Any premium or accrued interest received by the District from the sale of the Bonds, net costs of issuance (including underwriting discount), will be deposited in the fund held by the County and known as the "Selma Unified School District Election of 2022 General Obligation Bonds, Series A Debt Service Fund" (the "Debt Service Fund"). The *ad valorem* property taxes levied by the County for the payment of the Bonds, when collected, will also be deposited into the Debt Service Fund. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are moneys remaining in the Debt Service Fund or otherwise held in trust for the payment of the redemption price of the Bonds, said moneys will be transferred to the general fund of the District as provided and permitted by law.

Expected Investment of Bond Proceeds. Moneys in the Debt Service Fund and the Building Fund are expected to be invested through the County's pooled investment fund. See "APPENDIX E – FRESNO COUNTY TREASURY INVESTMENT POOL" attached hereto.

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds

Principal Amount of the Bonds	\$9,000,000.00
Original Issue [Premium/Discount]	<u>281,326.35</u>
Total Sources	<u>\$9,281,326.35</u>

Uses of Funds

Deposit to Building Fund	\$9,000,000.00
Deposit to Debt Service Fund	56,853.48
Underwriting Discount	36,000.00
Costs of Issuance ⁽¹⁾	<u>188,472.87</u>
Total Uses	<u>\$9,281,326.35</u>

- ⁽¹⁾ Reflects all costs of issuance of the Bonds to be paid from proceeds of the Bonds, including, but not limited to, the municipal advisory fees, legal fees, printing costs, rating agency fee, municipal bond insurance premium, the costs and fees of the Paying Agent, and other costs of issuance of the Bonds.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem property taxes levied and collected by the County on taxable property in the District, which rates are unlimited as to rate or amount. The District's general fund is not a source for the repayment of the Bonds.

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as County, city and special district property taxes. Assessed valuations are the same for both District and County taxing purposes.

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

The valuation of secured property is established as of January 1 and is subsequently enrolled in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the Treasurer-Tax Collector of the County (the "Treasurer"). After the second installment of taxes on the secured roll is delinquent, the tax collector will collect a cost of \$10 for preparing the delinquent tax records and giving notice of the delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed,

until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a \$15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Treasurer.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecured tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the local superior court clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "Tax Levies Collections and Delinquencies" herein.

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

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

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

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Assessed Valuations

Property within the District has a total assessed valuation for fiscal year 2022-23 of \$2,141,072,627. The following table represents a 10-year history of assessed valuations in the District, as of the date the equalized assessment tax roll is established in August of each year, excluding any exemptions granted after such date in each year:

ASSESSED VALUATIONS
Fiscal Years 2013-14 through 2022-23
Selma Unified School District

<u>Fiscal Year</u>	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% Change</u>
2013-14	\$ 1,369,347,314	\$1,042,008	\$44,441,684	\$1,414,831,006	--
2014-15	1,405,828,960	1,042,008	43,152,345	1,450,023,313	2.49%
2015-16	1,473,289,259	806,979	46,587,782	1,520,684,020	4.87
2016-17	1,562,753,746	806,979	56,811,736	1,620,372,461	6.56
2017-18	1,632,125,813	806,979	59,384,000	1,692,316,792	4.44
2018-19	1,717,668,191	806,979	52,092,652	1,770,567,822	4.62
2019-20	1,785,529,926	644,330	63,614,424	1,849,788,680	4.47
2020-21	1,861,767,953	644,330	61,277,729	1,923,690,012	4.00
2021-22	1,914,016,917	644,330	67,646,432	1,982,307,679	3.05
2022-23	2,045,832,292	644,330	94,596,005	2,141,072,627	8.01

Source: California Municipal Statistics, Inc. Percent change calculated by the Municipal Advisor based on information provided by California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as general market decline in real property values, the outbreak of disease, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, fire (including wildfire), drought, flood, sea level rise, climate change, or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rates levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" and "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein.

Seismic Events. The District is located a seismically active region of the State. An earthquake of large magnitude could result in extensive damage to property within the District and could adversely affect the assessed valuation of property within the District, or more generally the region's economy.

Drought. In recent years the State has experienced severe drought conditions. In January of 2014, the Governor of the State (the "Governor") declared a statewide Drought State of Emergency. As of such date, the State faced water shortfalls due to the driest year in recorded State history, the State's rivers and reservoirs were below their record low levels, and manual and electronic readings recorded the water content of snowpack at the highest elevations in the State (chiefly in the Sierra Nevada mountain range) at about 20% of normal average for the winter season. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In April 2021, the Governor announced regional drought emergencies in two

Northern California counties following two years of dry conditions. On May 10, 2021, the Governor expanded the emergency drought declaration to include an additional 39 counties throughout the State, including the County. On July 8, 2021 the Governor expanded the declaration to further include an additional nine counties. On October 19, 2021, the Governor extended the declaration to include the remaining counties in the State, such that the drought state of emergency was in effect Statewide. On March 28, 2022, the Governor issued Executive Order N-7-22, which directed the Water Board to issue drought regulations, including a recommendation to have urban water suppliers initiate water shortage contingency plans.

Significant snowfall and precipitation in the State commencing in January 2023 have generally eliminated most of the State's drought conditions. According to the U.S. Drought Monitor, portions of the State in the far north and lower south-west regions continue to be classified in the abnormally to severe drought categories, however, the majority of the State, including the County, is currently classified as having no drought conditions. In addition, on March 24, 2023, the Governor rescinded most of his emergency drought declarations, including Executive Order N-27-22. The District cannot predict if there will be future drought conditions and related water usage restrictions imposed in the future.

The District cannot make any representation regarding the effects that the drought had, or, if it should reoccur, may have on the value of taxable property within the District, or to what extent future droughts could cause disruptions to economic activity, including agriculture economic activity, within the boundaries of the District.

Wildfires. In addition, major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020 and summer of 2021. The District did not sustain any damage as a result of the recent fires. However, serious and significant property damage has resulted in other areas of the State, including within the County, due to wildfire damage. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events, such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. See also “—Drought” and “—Wildfires” above. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Appeals and Adjustments of Assessed Valuations

Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the “SBE”), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately

granted as a result of such appeal applies to the year for which application is made and during which the written application was filed.

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

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought, climate change, or toxic contamination pursuant to relevant provisions of the State Constitution. See also “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” herein.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIII A.

The District does not have information regarding pending appeals of assessed valuation of property within the District. No assurance can be given that property tax appeals currently pending or in the future, actions by the County assessor, or other factors in the future will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 (“AB 102”). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

Assessed Valuation by Jurisdiction

The following table shows the distribution of taxable property within the boundaries of the District by jurisdiction, as measured by assessed valuation for fiscal year 2022-23.

ASSESSED VALUATION BY JURISDICTION

Fiscal Year 2022-23

Selma Unified School District

<u>Jurisdiction:</u>	<u>Assessed Valuation in District</u>	<u>% of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in District</u>
City of Kingsburg	\$84,386,016	3.94%	\$1,323,425,804	6.38%
City of Parlier	5,062,008	0.24	511,599,082	0.99
City of Selma	1,425,114,367	66.56	1,425,143,810	100.00
Unincorporated Fresno County	<u>626,510,236</u>	<u>29.26</u>	28,369,214,041	2.21
Total District	\$2,141,072,627	100.00%		
Fresno County	\$2,141,072,627	100.00%	\$98,718,658,057	2.17%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use

The following table shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2022-23 assessed valuation of such parcels.

ASSESSED VALUATION AND PARCELS BY LAND USE

Fiscal Year 2022-23

Selma Unified School District

<u>Non-Residential:</u>	<u>2022-23 Assessed Valuation⁽¹⁾</u>	<u>% of Total</u>	<u>No. of Parcels</u>	<u>% of Total</u>
Agricultural	\$287,004,282	14.03%	877	10.59%
Commercial	278,873,221	13.63	359	4.34
Vacant Commercial	40,525,958	1.98	65	0.79
Industrial	142,136,248	6.95	91	1.10
Vacant Industrial	10,246,705	0.50	82	0.99
Government/Social/Institutional	<u>10,368,392</u>	<u>0.51</u>	<u>50</u>	<u>0.60</u>
Subtotal Non-Residential	\$769,154,806	37.60%	1,524	18.41%
<u>Residential:</u>				
Single Family Residence	\$1,123,422,881	54.91%	5,583	67.44%
Mobile Home	27,480,254	1.34	364	4.40
2-4 Residential Units	25,045,488	1.22	175	2.11
5+ Residential Units/Apartments	64,388,123	3.15	283	3.42
Vacant Residential	<u>36,340,740</u>	<u>1.78</u>	<u>350</u>	<u>4.23</u>
Subtotal Residential	\$1,276,677,486	62.40%	6,755	81.59%
Total	\$2,045,832,292	100.00%	8,279	100.00%

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

Source: California Municipal Statistics, Inc.

Assessed Valuation of Single Family Homes

The following table shows the distribution of single family homes within the District among various fiscal year 2022-23 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

ASSESSED VALUATION OF SINGLE FAMILY HOMES Fiscal Year 2022-23 Selma Unified School District

	<u>No. of Parcels</u>	<u>2022-23 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	5,583	\$1,123,422,881	\$201,222	\$174,981

<u>2022-23 Assessed Valuation</u>	<u>No. of Parcels⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$24,999	65	1.164%	1.164%	\$1,065,152	0.095%	0.095%
25,000 - 49,999	222	3.976	5.141	8,971,969	0.799	0.893
50,000 - 74,999	330	5.911	11.051	20,535,716	1.828	2.721
75,000 - 99,999	393	7.039	18.091	34,896,105	3.106	5.828
100,000 - 124,999	477	8.544	26.634	53,774,801	4.787	10.614
125,000 - 149,999	669	11.983	38.617	92,618,361	8.244	18.859
150,000 - 174,999	636	11.392	50.009	103,077,720	9.175	28.034
175,000 - 199,999	536	9.601	59.610	100,632,355	8.958	36.992
200,000 - 224,999	461	8.257	67.867	97,820,687	8.707	45.699
225,000 - 249,999	391	7.003	74.870	92,669,910	8.249	53.948
250,000 - 274,999	365	6.538	81.408	95,470,660	8.498	62.446
275,000 - 299,999	274	4.908	86.316	78,199,780	6.961	69.407
300,000 - 324,999	179	3.206	89.522	55,589,107	4.948	74.355
325,000 - 349,999	130	2.328	91.850	43,776,275	3.897	78.252
350,000 - 374,999	96	1.720	93.570	34,616,759	3.081	81.333
375,000 - 399,999	69	1.236	94.806	26,577,894	2.366	83.699
400,000 - 424,999	53	0.949	95.755	21,744,909	1.936	85.635
425,000 - 449,999	34	0.609	96.364	14,827,002	1.320	86.954
450,000 - 474,999	19	0.340	96.704	8,746,450	0.779	87.733
475,000 - 499,999	16	0.287	96.991	7,771,505	0.692	88.425
500,000 and greater	<u>168</u>	<u>3.009</u>	100.000	<u>130,039,764</u>	<u>11.575</u>	100.000
	5,583	100.000%		\$1,123,422,881	100.000%	

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

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Tax Levies, Collections and Delinquencies

The following table sets forth secured tax charges and delinquency information for the District for fiscal years 2017-18 through 2021-22.

SECURED TAX CHARGES AND DELINQUENCIES Fiscal Years 2017-18 through 2021-22 Selma Unified School District

	Secured Tax Charge⁽¹⁾	Amount Delinquent June 30	% Delinquent June 30
2017-18	\$25,214,091.60	\$499,583.89	1.98%
2018-19	26,301,910.62	514,716.78	1.96
2019-20	28,395,216.60	692,192.52	2.44
2020-21	29,516,770.00	628,971.80	2.13
2021-22	30,348,365.32	604,276.97	1.99

⁽¹⁾ All taxes collected by the County within the District.

Source: California Municipal Statistics, Inc.

Pursuant to Revenue and Taxation Code Section 4985.2, the Treasurer may cancel any penalty, costs or other charges resulting from tax delinquency upon a finding that the late payment is due to reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, provided the property taxes are paid within four fiscal years of such taxes coming due.

Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the 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. See "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein. However, State law requires the County to levy *ad valorem* property taxes sufficient to pay the principal of and interest on the Bonds when due.

Alternative Method of Tax Apportionment – "Teeter Plan"

Under the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Revenue and Taxation Code Section 4701 *et seq.*, each participating local agency levying property taxes, including school districts, receives from the county in which it is located the amount of uncollected taxes credited to its fund, in the same manner as if the amount credited had been collected. In return, the county receives and retains delinquent payments, penalties and interest as collected that would have been due the local agency. The Teeter Plan, once adopted by a county, remains in effect unless the applicable county board of supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year, the board of supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the county. A board of supervisors may, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency in the county when delinquencies for taxes levied by that agency exceed 3%.

The Teeter Plan applies to the 1% general purpose secured property tax levy. Whether or not the Teeter Plan also is applied to other tax levies for local agencies, such as the tax levy for general obligation bonds of a local agency, varies by county.

The Board of Supervisors of the County has approved the implementation of the Teeter Plan. Under the Teeter Plan, the County funds the District its full secured property tax levy allocation rather than funding only actual collections (levy less delinquencies). In exchange, the County receives the interest and penalties that accrue on delinquent payments when the late taxes are collected. The County includes the District's 1% general purpose secured property tax levy and the secured *ad valorem* property tax levy for the District's general obligation bonds, including the Bonds, under the Teeter Plan. The District will receive 100% of the secured *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the 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. See "DISTRICT FINANCIAL INFORMATION – Considerations Regarding COVID-19" herein.

There can be no assurance that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies.

Notwithstanding any possible future change to or discontinuation of the Teeter Plan or increases in property tax delinquencies, State law requires the County to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

Tax Rates

The following table summarizes the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities in a typical tax rate area (a "TRA") within the District during the five-year period from fiscal years 2018-19 through 2022-23.

SUMMARY OF AD VALOREM PROPERTY TAX RATES (TRA 11-001)⁽¹⁾

Fiscal Years 2018-19 through 2022-23

Selma Unified School District

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
City of Selma	.021600	.017500	.017500	.015000	.015000
Selma Unified School District	.109658	.111922	.110260	.110406	.099824
State Center Community College District	<u>.022966</u>	<u>.025786</u>	<u>.025672</u>	<u>.018088</u>	<u>.028470</u>
Total	1.154224%	1.155208%	1.153432%	1.143494%	1.143294%

⁽¹⁾ The fiscal year 2022-23 assessed valuation of TRA 11-001 is \$446,593,850, which is 20.86% of the District's fiscal year 2022-23 total assessed valuation.

Source: California Municipal Statistics, Inc.

Principal Taxpayers

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2022-23 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

LARGEST LOCAL SECURED TAXPAYERS Fiscal Year 2022-23 Selma Unified School District

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2022-23 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Guardian Industries Corporation	Industrial	\$63,025,693	3.08%
2.	Selma Square LB LLC	Commercial	21,640,500	1.06
3.	Wal-Mart Real Estate Business Trust	Commercial	16,342,934	0.80
4.	Dwight Grant Nelson, Trustee	Commercial	15,807,826	0.77
5.	California Water Service Company	Water Company	15,615,500	0.76
6.	BAK Limited LLC	Residential Properties	12,417,611	0.61
7.	Home Depot USA Inc.	Commercial	12,373,400	0.60
8.	George J. & Louise N.L. Alves, Trustees	Industrial	11,847,910	0.58
9.	Fahrney Land Management LLC	Commercial	11,511,000	0.56
10.	Selma Crossings LLC	Commercial	11,359,078	0.56
11.	Quinn Company	Industrial	9,707,171	0.47
12.	Sun Valley Packing LP	Agricultural	8,749,551	0.43
13.	Clarence & Mary Jo Unruh, Trustees	Agricultural	8,624,267	0.42
14.	Kosla Properties LLC	Commercial	8,584,228	0.42
15.	VK Nijjar Farms LLC	Agricultural	7,976,999	0.39
16.	Sandridge Partners LP	Agricultural	7,974,114	0.39
17.	Swan Court Hotel Inc.	Hotel	7,755,304	0.38
18.	Selma Business Park LLC	Industrial	7,471,602	0.37
19.	Kaiser Foundation Health Plan Inc.	Office Building	7,441,563	0.36
20.	MCK Trees & Vines LP	Agricultural	<u>7,230,281</u>	<u>0.35</u>
			\$273,456,532	13.37%

⁽¹⁾ The fiscal year 2022-23 local secured assessed valuation of the District is \$2,045,832,292.

Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. effective as of May 1, 2023, for debt issued as of April 13, 2023. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they

necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column 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. The second column 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 the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

STATEMENT OF DIRECT AND OVERLAPPING DEBT
Selma Unified School District

2022-23 Assessed Valuation: \$2,141,072,627

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 5/1/23</u>
State Center Community College District	1.986%	\$7,842,913
Selma Unified School District	100.000	45,701,910⁽¹⁾
City of Selma	99.998	3,574,929
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$57,119,752

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Fresno County General Fund Obligations	2.169%	\$463,624
Fresno County Pension Obligations	2.169	4,150,672
Selma Unified School District Certificates of Participation	100.000	1,493,985
Selma Unified School District Qualified Zone Academy Bonds (QZABs)	100.000	5,785,712
City of Kingsburg General Fund Obligations	6.376	109,348
City of Selma General Fund Obligations	99.998	2,622,526
City of Selma Pension Obligation Bonds	99.998	14,582,708
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$29,208,575

OVERLAPPING TAX INCREMENT DEBT (Successor Agency): \$760,000

COMBINED TOTAL DEBT \$87,088,327⁽²⁾

Ratios to 2022-23 Assessed Valuation:

Direct Debt (\$45,701,910).....	2.13%
Total Direct and Overlapping Tax and Assessment Debt.....	2.67%
Combined Direct Debt (\$52,981,607)	2.47%
Combined Total Debt	4.07%

Ratios to Redevelopment Incremental Valuation (\$208,904,461):

Total Overlapping Tax Increment Debt.....	0.36%
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⁽¹⁾ Excludes the Bonds.

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

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem property tax levied by the County for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy ad valorem property taxes on behalf of the District and for the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy ad valorem property taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District’s voters in compliance with Article XIII A, Article XIII C, and all applicable laws.

Article XIII A of the California Constitution

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

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

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b), as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. In addition, Article XIII A requires the approval of two-thirds or more of all members of the legislature of the State (the “State Legislature”) to change any state taxes for the purpose of increasing tax revenues.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment (“Proposition 19”), which amends Article XIII A to: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on District revenues or the assessed valuation of real property in the District. However, any reduction of assessed valuation would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service on the Bonds.

Legislation Implementing Article XIII A

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

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

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

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

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIII A 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 XIII A 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.

Inter-county transfers under Proposition 171 are more restrictive than intra-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.

The District cannot provide make any representation regarding the effect Propositions 50 and 171 may have on District revenues or the assessed valuation of real property in the District. However, any reduction of assessed valuation would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service on the Bonds.

Unitary Property

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

Article XIII B of the California Constitution

Article XIII B (“Article XIII B”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living

and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines:

- (a) “change in the cost of living” with respect to school districts and community college districts (collectively “K-14 school districts”) to mean the percentage change in State per capita income from the preceding year, and
- (b) “change in population” with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

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

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

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

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

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

Article XIII C and Article XIII D of the California Constitution

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

According to the “Title and Summary” of Proposition 218 prepared by the State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general

taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Proposition 26

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

Propositions 98 and 111

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

adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school districts appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

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

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

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

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in State per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.
- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the State Legislature. Second, there are excluded any increases in gasoline taxes above the 1990

level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) approximately 40% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" to K-14 school districts which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, State voters approved an amendment (commonly known as "Proposition 39") to the State Constitution. Proposition 39 is an initiated Constitutional amendment that (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property, such that property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all

bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that such bonds may be issued only if the tax rate per \$100,000 of taxable property value projected to be levied as the result of any single election would not exceed \$60 (for a unified school district, such as the District), \$30 (for a high school or elementary school district), or \$25 (for a community college district), when assessed valuation is projected to increase in accordance with Article XIII A. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

Proposition 1A and Proposition 22

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

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

Proposition 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers and over \$340,000 but less

than \$408,001 for head-of-household filers), (ii) 2% for taxable income over \$300,000 but less than \$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers and over \$408,000 but less than \$680,001 for head-of-household filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers and over \$680,000 for head-of-household filers).

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

Jarvis v. Connell

On May 29, 2002, the State 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). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to State statutes (such as continuing appropriations) or the State 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 State Supreme Court upheld the holding of the Court of Appeal, stating that the State 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 State Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 2

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

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

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

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

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

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

SB 858. Senate Bill 858 (“SB 858”) became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which

the State has made a transfer into the PSSSA, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the State Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the State Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

SB 751. Senate Bill 751 (“SB 751”), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions community funded school districts (previously known as basic aid districts) and small school districts having fewer than 2,501 units of ADA.

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the State Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Bonds as and when due.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D and Propositions 22, 26, 30, 39, 51, 55 and 98 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the District’s general fund finances and State funding of public education is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the County in the District in an amount sufficient for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.

State Funding of Education

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

Revenue Limit Funding. Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA.

Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments (“COLAs”) and to equalize revenues among school districts of the same type. Funding of a school district’s revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Since fiscal year 2013-14, school districts have been funded based on a uniform system of funding grants assigned to certain grade spans. See “—Local Control Funding Formula” herein.

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

The primary component of AB 97, as amended by SB 91, is the implementation of the Local Control Funding Formula (“LCFF”), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a “Base Grant”) assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. During the implementation period of the LCFF, an annual transition adjustment was calculated for each school district, equal to such district’s proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district’s funding gap.

The Base Grants per unit of ADA for each grade span are as follows: (i) \$6,845 for grades K-3; (ii) \$6,947 for grades 4-6; (iii) \$7,154 for grades 7-8; and (iv) \$8,289 for grades 9-12. During the implementation period of the LCFF, Base Grants were required to be adjusted annually for COLAs by applying the implicit price deflator for government goods and services. The provision of COLAs is now subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See also “— State Budget Measures” herein for information on the adjusted Base Grants provided by current budgetary legislation.

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

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

Grant”) equal to 65% of the applicable Base Grant multiplied by the percentage of such district’s unduplicated EL/LI student enrollment in excess of the 55% threshold.

The table on the following page shows a breakdown of the District’s ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment for fiscal years 2013-14 through 2023-24. However, the District’s actual ADA or enrollment may be affected by the recent COVID-19 pandemic. See “- Considerations Regarding COVID-19” herein.

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2013-14 through 2023-24
Selma Unified School District

Fiscal Year	Average Daily Attendance⁽¹⁾					Enrollment⁽²⁾	
	K-3	4-6	7-8	9-12	Total ADA	Total Enrollment	% of EL/LI Enrollment
2013-14	1,991.62	1,471.73	980.12	1,764.71	6,208.18	6,531	86.04%
2014-15	1,975.89	1,428.83	993.60	1,791.79	6,190.11	6,483	84.12
2015-16	1,985.31	1,455.04	969.07	1,836.98	6,246.40	6,578	83.21
2016-17	1,899.66	1,470.63	940.61	1,858.00	6,168.90	6,504	82.40
2017-18	1,881.95	1,474.70	920.08	1,873.16	6,149.89	6,501	83.42
2018-19	1,838.36	1,434.99	947.19	1,891.57	6,112.11	6,393	85.06
2019-20	1,794.94	1,378.21	984.15	1,865.85	6,023.15	6,258	86.25
2020-21	1,782.49	1,367.49	976.95	1,839.49	5,966.42	6,050	88.04
2021-22	1,523.36	1,210.77	835.12	1,750.70	5,319.95	6,001	88.50
2022-23	1,662.72	1,247.21	845.11	1,785.21	5,540.25	5,939	92.84
2023-24 ⁽³⁾	1,679.34	1,259.68	853.56	1,803.06	5,595.64	5,933	91.07

(1) Except for fiscal year 2022-23, reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four-week period of instruction beginning with the first day of school for a particular school district. For the 2019-20 school year, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020 and the ADA for fiscal year 2020-21 is based on the fiscal year 2019-20 ADA. See “- Considerations Regarding COVID-19” herein. In addition, due to the hold harmless provision provided for in the 2020-21 State budget, the District was funded based on its 2019-20 ADA in fiscal year 2021-22.

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

(3) Budgeted.

Source: Selma Unified School District.

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

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

Community Funded Districts. Certain school districts, known as "community funded" districts (or alternatively as "basic aid" districts), have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Community funded school districts receive certain other non -LCFF State funding, which is deemed to satisfy the "basic aid" requirement guaranteed by Article IX, Section 6 of the State Constitution. The implication for community funded districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District does not currently qualify as a community funded district, and does not expect to in future fiscal years.

Accountability. Regulations adopted by the State Board of Education require that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, and detail the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

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

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

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority

for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district with identifying and implementing programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts with achieving the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

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

Other State Sources. In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

Other Revenue Sources

Federal and Local Sources. The federal government provides funding for several school district programs, including special education programs, programs under the Every Student Succeeds Act, and specialized programs such as Drug Free Schools, Innovative Strategies, and Vocational & Applied Technology. In addition, school districts may receive additional local revenues beyond local property tax collections, such as leases and rentals, interest earnings, interagency services, developer fees, redevelopment revenues, lottery funds and other local sources.

Developer Fees. The District currently collects developer fees on residential and commercial development to finance essential school facilities within the District. The District maintains a fund, separate and apart from the general fund, to account for developer fees collected by the District. Developer fee revenues may only be expended on capital facility improvements necessitated by increases in enrollment resulting from development. The table on the following page shows a five-year history of developer fee revenues and a budgeted amount for fiscal year 2023-24.

DEVELOPER FEES
Fiscal Years 2018-19 through 2023-24
Selma Unified School District

<u>Year</u>	<u>Developer Fee Revenues</u>
2018-19	\$137,073
2019-20	133,430
2020-21	406,907
2021-22	40,297
2022-23 ⁽¹⁾	78,186
2023-24 ⁽²⁾	75,000

⁽¹⁾ Estimated.

⁽²⁾ Budgeted.

Source: Selma Unified School District.

The District, however, can make no representations that the developer fees will continue to be collected by the District in amounts consistent with prior years or as currently budgeted.

Dissolution of Redevelopment Agencies

On December 30, 2011, the State Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in the State ceased to exist as a matter of law on February 1, 2012.

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

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least \$250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth is tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this

paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the State Controller and the State Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the State Controller. If the State Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

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

ABx1 26 states that in the future, pass-throughs shall be made in the amount “which would have been received . . . had the redevelopment agency existed at that time,” and that the County Auditor-Controller shall “determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved using current assessed values...and pursuant to statutory formulas and contractual agreements with other taxing agencies.”

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

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

Considerations Regarding COVID-19

General. An outbreak of disease or similar public health threat, such as the ongoing coronavirus (“COVID-19”) pandemic, or fear of such an event, could have an adverse impact on the District’s financial condition and operating results.

The spread of COVID-19 continues to have significant negative impacts throughout the world, including in the District. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the State and the United States. The purpose behind these declarations was to coordinate and formalize emergency actions and across federal, State and local governmental agencies, and to proactively prepare for the then-expected wider spread of the virus.

To date there have been millions of confirmed cases in the United States, and over one million deaths related to COVID-19. Although vaccines and vaccine boosters are currently widely available, no representation can be made as to whether the number of cases will continue to grow. The COVID-19 outbreak resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools through much of 2020 and portions of 2021, as well as supply chain issues and significant increases in inflation as these restrictions and closures have been lifted. Stock markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

Federal Response. On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed by the President of the United States. The CARES Act appropriated over \$2 trillion to, among other things, (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. On December 27, 2020, the President of the United States signed the Coronavirus Relief and Response Supplemental Appropriations Act, 2021 (“CRRSA”), which included approximately \$900 billion worth of provisions for additional COVID-related relief, including extension of or additional funding for various relief programs implemented by the CARES Act. The CRRSA provided approximately \$82 billion of COVID-19 related relief for education, including \$54.3 billion for K-12 schools (largely through Title I funding), \$22.7 billion for higher education and \$4 billion for state governors to spend at their discretion. On March 12, 2021, the President signed the American Rescue Plan Act of 2021 (the “American Rescue Plan”), which provides approximately \$1.9 trillion in federal economic stimulus intended to accelerate the recovery from the COVID-19 pandemic. The American Rescue Plan provides direct payments to individuals, extends unemployment benefits, provides funding to distribute COVID-19 vaccines and provides funding for schools, higher education institutions, state, tribal governments and businesses. On April 10, 2023, the President signed a resolution ending the national emergency, and on May 11, 2023, the public health emergency expired.

State Response. In response to the COVID-19 pandemic, on March 17, 2020, Senate Bill 89 (“SB 89”) and Senate Bill 117 (“SB 117”) were signed by the Governor, both of which took effect immediately. SB 89 amended the Budget Act of 2019 by appropriating \$500,000,000 from the State general fund for any purpose related to the Governor’s March 4, 2020 emergency proclamation. SB 117, among other things, (i) specified that for school districts that comply with Executive Order N–26–20 (as defined herein), the ADA reported to the State Department of Education for the second period and the annual period for apportionment purposes for the 2019-20 school year only includes all full school months from July 1, 2019 through February 29, 2020, (ii) prevented the loss of funding related to an instructional time penalty because of a school closed due to the COVID–19 by deeming the instructional days and minutes requirements to have been met during the period of time the school was closed due to COVID–19, (iii) required a school district to be credited with the ADA it would have received had it been able to operate its After School Education and Safety Program during the time the school was closed due to COVID–19, and (iv) appropriated \$100,000,000 from the State general fund to the State Superintendent to be apportioned to certain local educational agencies for purposes of purchasing personal protective equipment, or paying for supplies and labor related to cleaning school sites. Additionally, the Governor, on March 4, 2021, signed into law Assembly Bill 86 (“AB 86”), urgency legislation which provided approximately \$6.6 billion to accelerate the return of in-person school instruction and expand student support. See also “—State Budget Measures” herein.

On June 29, 2020, Senate Bill 98 (“SB 98”), the education omnibus bill to the 2020-21 State budget, was signed by the Governor, which took effect immediately. SB 98 provided that distance learning could be offered by a school district during the 2020-21 academic year on a local educational agency or schoolwide level as a result of an order or guidance from a State public health officer or a local public health officer or for pupils who are medically fragile or would be put at risk by in-person instruction, or who are self-quarantining because of exposure to COVID-19. SB 98 provided requirements for distance learning, including, but not limited to: (i) confirmation or provision of access for all pupils to connectivity and devices adequate to participate in the educational program and complete assigned work, (ii) content aligned to grade level standards that is provided at a level of quality and intellectual challenge substantially equivalent to in-person instruction, (iii) support for pupils who are not performing at grade level or need support in other areas, (iv) special education services, (v) designated and integrated instruction in English language development for English learners, and (vi) daily live interaction with certificated employees and peers. On February 28, 2023, the Governor issued a proclamation terminating the State’s COVID-19 state of emergency.

District Response. The District closed its schools in March 2020 and implemented distance learning for all students through the remainder of the school year as well part of fiscal year 2020-21. The District returned to in-person instruction in fiscal year 2020-21.

State law allows school districts to apply for a waiver to hold them harmless from the loss of LCFF funding based on attendance and state instructional time penalties when they are forced to close schools due to emergency conditions. In addition, the Governor enacted Executive Order N-26-20 (“Executive Order N-26-20”), which (i) generally streamlined the process of applying for such waivers for closures related to COVID-19 and (ii) directed school districts to use LCFF apportionment to fund distance learning and high quality educational opportunities, provide school meals and, as practicable, arrange for the supervision of students during school hours.

The District has been awarded approximately \$44,719,024 in COVID-19-related relief funding, of which the District has spent approximately \$25,670,530. This funding includes (i) approximately \$6,085,813 in learning loss mitigation funding, (ii) approximately \$2,878,636 from the Elementary and Secondary School Emergency Relief Fund (“ESSER I”) funded by the CARES Act, (iii) approximately \$9,949,090 from ESSER (“ESSER II”) funded by the Consolidated Appropriations Act, 2021, and (iv) approximately \$18,322,261 from ESSER (“ESSER III”) funded by the American Rescue Plan. The District has also been awarded approximately \$4,838,758 of Expanded Learning Opportunities Grants and \$2,644,466 of In-person Instruction Grants pursuant to AB 86. The District, however, can make no representation whether all expected funds will be received, what the timing of receipt of such funds might be, or whether the District can expend funds prior any applicable grant expiration dates.

Other potential impacts to the District associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges relating to establishing distance learning programs or other measures to permit instruction when schools are closed, disruption of the regional and local economy with corresponding decreases in tax revenues, including property tax revenue, sales tax revenue and other revenues, increases in tax delinquencies, potential declines in property values, and decreases in new home sales, and real estate development. The economic consequences and the volatility in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments, could have a material impact on the investments in the State pension trusts, which could materially increase the unfunded actuarial accrued liability of the STRS Defined Benefit Program and PERS Schools Pool, which, in turn, could result in material changes to the District’s required contribution rates in future fiscal years. See “SELMA UNIFIED SCHOOL DISTRICT – District Retirement Systems” herein.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, the effectiveness of available vaccines in containing the spread or mutation of the virus, and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including, but not limited to: the Governor's office (<http://www.gov.ca.gov>), California Department of Public Health (<https://covid19.ca.gov/>) and the Fresno County Department of Public Health (<https://www.co.fresno.ca.us/departments/public-health>). *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.*

The ultimate impact of COVID-19 on the District's operations and finances is unknown. 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 available state or federal assistance, materially adversely impact the financial condition or operations of the District. See also "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Budget Process

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

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

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any

recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of all school districts whose budget may be disapproved.

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

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

For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent, may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the Superintendent of Public Instruction and the president of the State board or the president's designee will appoint a trustee at the direction of the county superintendent to serve the school district until it has adequate fiscal systems and controls in place. In connection with appointing such a trustee, some or all of the legislative powers of the governing board of such a school district can be suspended until the district achieves fiscal stability.

Within the past five years, the District has submitted, and the County Superintendent of Schools has accepted, positive certifications on all of its interim financial reports.

General Fund Budgeting Trends. The table on the following page summarizes the District's adopted general fund budgets for fiscal years 2019-20 through 2023-24, audited actual results for fiscal years 2019-20 through 2021-22, and estimated actuals for fiscal year 2022-23.

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GENERAL FUND BUDGETING⁽¹⁾
Fiscal Years 2019-20 through 2023-24
Selma Unified School District

	2019-20		2020-21		2021-22		2022-23		2023-24
	<u>Budgeted⁽²⁾</u>	<u>Audited⁽²⁾</u>	<u>Budgeted⁽²⁾</u>	<u>Audited⁽²⁾</u>	<u>Budgeted⁽²⁾</u>	<u>Audited⁽²⁾</u>	<u>Budgeted⁽³⁾</u>	<u>Estimated⁽⁴⁾</u>	<u>Budgeted⁽⁴⁾</u>
REVENUES									
LCFF Sources:									
State Apportionment or State Aid	\$55,212,164	\$58,932,165	\$55,820,277	\$33,082,236	\$59,696,132	\$48,929,858	\$56,838,271	\$61,436,466	\$63,878,124
Education Protection Account Funds	9,382,282	5,346,691	7,668,389	22,394,261	6,076,045	27,148,111	15,147,234	17,608,872	18,167,729
Local Sources	6,179,321	6,364,981	6,000,000	7,073,601	6,503,894	6,954,504	6,954,541	6,766,843	7,522,679
Federal Sources	5,664,169	4,927,948	5,933,901	17,098,748	11,921,680	17,193,679	18,681,024	28,721,777	6,089,475
Other State Sources	5,123,115	7,467,581	5,564,572	9,678,581	8,160,471	13,487,874	8,658,021	29,991,876	14,624,565
Other Local Sources	<u>2,367,486</u>	<u>1,986,749</u>	<u>2,378,418</u>	<u>6,968,311</u>	<u>3,435,990</u>	<u>2,766,064</u>	<u>4,884,742</u>	<u>10,316,348</u>	<u>5,732,259</u>
Total Revenues	83,928,537	85,026,115	83,365,557	96,295,738	95,794,212	116,480,090	111,163,833	154,842,181	116,014,831
EXPENDITURES									
Current:									
Certificated Salaries	36,344,223	36,437,083	34,694,077	35,597,010	35,253,384	40,688,085	38,132,579	39,495,896	40,887,745
Classified Salaries	12,846,026	11,885,490	11,337,299	11,704,464	11,236,972	14,169,803	13,585,220	18,110,127	16,971,363
Employee Benefits	20,332,571	22,357,952	21,158,381	20,571,039	21,383,496	22,866,754	23,259,277	30,411,607	28,246,347
Books & Supplies	4,801,019	4,094,115	6,346,216	10,389,091	16,339,869	9,931,370	11,196,292	17,055,490	10,752,815
Services & Operating Expenditures	5,773,356	6,022,127	5,471,314	8,878,192	8,246,606	9,826,528	8,504,261	20,701,088	13,707,883
Other Outgo	1,447,626	1,371,227	--	817,174	--	1,556,432	980,882	3,190,555	2,826,175
Direct Support/Indirect Costs	(140,351)	(134,108)	3,653,998	(110,367)	(291,600)	(146,739)	(148,680)	(388,797)	(345,188)
Capital Outlay	106,000	103,659	3,000 ⁽⁸⁾	634,391	--	5,275,580	13,231,407	34,008,441	6,621,863
Debt Service:									
Principal	1,748,800	399,987	--	1,649,269	--	1,627,500	466,294	1,645,678	1,622,321
Interest	<u>585,500</u>	<u>583,082</u>	--	<u>126,168</u>	--	<u>344,173</u>	<u>95,668</u>	<u>134,950</u>	<u>135,000</u>
Total Expenditures	83,844,770	83,120,614	82,664,285	90,256,431	92,168,727	102,139,486	109,303,199	162,584,407	119,669,003
Excess (Deficiency) of Revenues Over (Under) Expenditures	83,767	1,905,501	701,272	6,039,307	3,625,485	14,340,604	1,860,634	(7,742,226)	(3,654,172)
Other Financing Sources (Uses)									
Transfers In ⁽⁵⁾	--	--	--	500,000	--	--	--	--	--
Transfers Out ⁽⁶⁾	--	--	--	(1,200,000)	(700,000)	(1,772,337)	(247,028)	(1,400,000)	(1,000,000)
Other Sources ⁽⁷⁾	<u>449,356</u>	<u>449,356</u>	<u>450,000</u>	--	<u>450,000</u>	--	<u>450,000</u>	--	--
Total Other Financing Sources (Uses)	449,356	449,356	450,000	(700,000)	(250,000)	(1,772,337)	202,972	(1,400,000)	(1,000,000)
Net Change in Fund Balance	533,123	2,354,857	1,151,272	5,339,307	3,375,485	12,568,267	2,063,607	(9,142,226)	(4,654,172)
Fund Balance, July 1	<u>5,369,380</u>	<u>5,369,380</u>	<u>7,724,237⁽⁹⁾</u>	<u>7,724,237</u>	<u>13,196,961⁽¹¹⁾</u>	<u>13,196,961⁽¹¹⁾</u>	<u>25,933,419⁽¹²⁾</u>	<u>25,933,419⁽¹²⁾</u>	<u>16,582,233</u>
Prior Period Adjustment	--	--	--	987,826 ⁽¹⁰⁾	--	--	--	(208,961)	--
Fund Balance, June 30	<u>\$5,902,503</u>	<u>\$7,724,237</u>	<u>\$8,875,509</u>	<u>\$14,051,370⁽¹¹⁾</u>	<u>\$16,572,446</u>	<u>\$25,765,228⁽¹²⁾</u>	<u>\$27,997,026</u>	<u>\$16,582,233</u>	<u>\$11,928,060</u>

(1) Includes restricted and unrestricted general fund as well as the Special Reserve Fund for Other than Capital Outlay (Fund 17). In addition, fiscal years 2019-20 through 2021-22 include the Special Reserve Fund for Postemployment Benefits (Fund 20). Funds 17 and 20 do not meet the definition of special revenue funds under GASB Statement No. 54.

(2) From the District's comprehensive audited financial statements for fiscal years 2019-20 through 2021-22.

(3) From the District's Fiscal Year 2022-23 Second Interim Financial Report, approved by the Board on March 14, 2023.

(4) From the District's Fiscal Year 2023-24 Adopted Budget, approved by the Board on June 27, 2023.

(5) Reflects transfer in from the Special Reserve Fund for Other than Capital Outlay (2020-21).

Footnotes continued on following page.

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- (6) Reflects transfers out to the Cafeteria Special Revenue Fund (2020-21), Special Reserve Fund for Other than Capital Outlay (2020-21), and Special Revenue Fund for Capital Outlay Projects (2021-22 and 2022-23).
- (7) Reflects transfers in from County SELPA for special education, as well as donations and grants.
- (8) Reflects corrected capital outlay; audited financial statements for fiscal year 2020-21 contained an error. Total Expenditures, Net Change in Fund Balance, and Fund Balance, June 30, updated accordingly.
- (9) Revised to reflect actual beginning fund balance. Fund Balance, June 30 updated accordingly.
- (10) Reflects prior period adjustment related to implementation of GASB 84, pursuant to which the Student Body Fund balance is included as part of the District's governmental funds.
- (11) Fiscal year 2021-22 beginning fund balance differs from fiscal year 2020-21 ending fund balance because the Student Body Fund balance was included in fiscal year 2020-21 and not in fiscal year 2021-22.
- (12) Fiscal year 2022-23 budgeted beginning fund balance differs from fiscal year 2021-22 ending fund balance because (a) Funds 17 (\$40,770) and 20 (\$0) are included in fiscal year 2021-22, but not in fiscal year 2022-23, and (b) an audit adjustment of (\$208,961) was reflected in the fiscal year 2021-22 ending fund balance, but not in the fiscal year budgeted 2022-23 beginning fund balance. The fiscal year 2022-23 estimated actuals, however, do incorporate the audit adjustment.

Source: Selma Unified School District.

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Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Education Code Section 41010, is to be followed by all State school districts. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

Comparative Financial Statements

Audited financial statements for the District for the fiscal year ended June 30, 2022 and prior fiscal years are on file with the District and available for public inspection at the Selma Unified School District, 3036 Thompson Avenue, Selma, California 93662, telephone: (559) 898-6500. The District's audited financial statements for the year ended June 30, 2022 are attached hereto as APPENDIX B. The table on the following page reflects the District's audited general fund revenues, expenditures and changes in fund balance for fiscal years 2017-18 through 2021-22.

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AUDITED GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCES⁽¹⁾
Fiscal Years 2017-18 through 2021-22
Selma Unified School District

REVENUES:	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
LCFF Sources:					
State Apportionment or State Aid	\$48,895,483	\$52,119,922	\$58,932,165	\$33,082,236	\$48,929,858
Education Protection Account Funds	8,544,601	10,039,300	5,346,691	22,394,261	27,148,111
Local Sources	6,071,064	6,486,241	6,364,981	7,073,601	6,954,504
Federal Sources	5,665,084	5,703,045	4,927,948	17,098,748	17,193,679
Other State Sources	7,673,075	10,444,182	7,467,581	9,678,581	13,487,874
Other Local Sources	<u>2,889,704</u>	<u>3,420,702</u>	<u>1,986,749</u>	<u>6,968,311</u>	<u>2,766,064</u>
Total Revenues	79,739,011	88,213,392	85,026,115	96,295,738	116,480,090
EXPENDITURES:					
Current					
Instruction	49,994,738	53,064,653	50,005,548	58,152,231	55,611,632
Instruction-Related Services	8,765,992	10,552,607	9,647,611	9,170,158	9,827,229
Pupil Services	5,415,794	6,785,700	6,422,476	7,299,363	7,783,603
Ancillary Services	688,793	826,243	726,654	898,740	896,715
General Administration	4,472,332	5,012,753	6,043,727	4,116,045	10,749,938
Plant Services	7,756,046	8,480,959	7,695,939	7,351,656	8,466,684
Other Outgo	1,118,377	1,360,765	1,491,931	858,410	1,556,432
Capital outlay	445,991	1,804,050	103,659	634,391	5,275,580
Debt Service:					
Principal	1,763,122	1,726,692	399,987	1,649,269	1,627,500
Interest	<u>712,105</u>	<u>650,784</u>	<u>583,082</u>	<u>126,168</u>	<u>344,173</u>
Total Expenditures	81,133,290	90,265,206	83,120,614	90,256,431	102,139,486
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,394,279)	(2,051,814)	1,905,501	6,039,307	14,340,604
OTHER FINANCING SOURCES (USES)					
Transfers In ⁽²⁾	--	2,900,000	--	500,000	--
Transfers Out ⁽³⁾	(277,252)	(1,858,669)	--	(1,200,000)	(1,772,337)
Other Sources	<u>544,000</u>	<u>463,647</u>	<u>449,356</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	266,748	1,504,978	449,356	(700,000)	(1,772,337)
NET CHANGE IN FUND BALANCE	(1,127,531)	(546,836)	2,354,857	5,339,307	12,568,267
Fund Balance – July 1	<u>7,043,747</u>	<u>5,916,216</u>	<u>5,369,380</u>	<u>7,724,237</u>	<u>13,196,961⁽⁵⁾</u>
Prior Period Adjustment	--	--	--	987,826 ⁽⁴⁾	--
Fund Balance – June 30	<u>\$5,916,216</u>	<u>\$5,369,380</u>	<u>\$7,724,237</u>	<u>\$14,051,370</u>	<u>\$25,765,228</u>

⁽¹⁾ From the District's comprehensive audited financial statements for fiscal years 2017-18 through 2021-22, respectively. Includes restricted and unrestricted general fund, as well as the Special Reserve Fund for Other than Capital Outlay (Fund 17) and the Special Reserve Fund for Postemployment Benefits (Fund 20), which do not meet the definition of special revenue funds under GASB Statement No. 54.

⁽²⁾ Reflects transfers in from the County Schools Facility Fund to reimburse for modernization expenditures made in prior years (2018-19) and from the Special Reserve Fund for Other than Capital Outlay (2020-21).

⁽³⁾ Reflects transfers out to the Capital Facilities Fund (2017-18), Cafeteria Special Revenue Fund (2018-19 and 2020-21), Special Reserve Fund for Other Than Capital Outlay (2020-21), and Special Revenue Fund for Capital Outlay Projects (2021-22).

⁽⁴⁾ Reflects prior period adjustment related to implementation of GASB 84, pursuant to which the Student Body Fund balance is included as part of the District's governmental funds.

⁽⁵⁾ Fiscal year 2021-22 beginning fund balance differs from fiscal year 2020-21 ending fund balance because the Student Body Fund balance was included in fiscal year 2020-21 and not in fiscal year 2021-22.

Source: Selma Unified School District.

State Budget Measures

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

2023-24 State Budget. On July 1, 2023, the Governor signed the State budget for fiscal year 2023-24 (the "2023-24 Budget"). The following information is drawn from the DOF summary of the 2023-24 Budget.

The 2023-24 Budget reports that, after two years of growth, the State is projected to face a downturn in revenues driven by a declining stock market, persistently high inflation, rising interest rates and job losses in high-wage sectors. The 2023-24 Budget forecasts that the State will face a \$31.7 billion shortfall in fiscal year 2023-24. To close the budget gap, the 2023-24 Budget includes a series of measures intended to avoid deep reductions to priority programs that marked budgetary shortfalls over the past two decades:

- *Fund Shifts* – \$9.3 billion in shifts of spending commitments from the State general fund to other sources.
- *Reductions/Pullbacks* – \$8.1 billion in State general fund spending reductions or pullbacks of previously approved spending.
- *Delays* – \$7.9 billion in delayed spending across multiple years, without reducing the amount of funding over the same period.
- *Revenue and Internal Borrowing* – \$6.1 billion in revenue, primarily from the Managed Care Organization tax, and internal borrowing from special fund balances not projected for programmatic purposes.
- *Trigger Reductions* – \$340 million in reductions that will be restored in the proposed State budget for fiscal year 2024-25 if there are sufficient resources to do so.

For fiscal year 2022-23, the 2023-24 Budget projects total general fund revenues and transfers of \$205.1 billion and authorizes expenditures of \$234.6 billion. The State is projected to end the 2022-23 fiscal year with total reserves of \$54.2 billion, including \$21.1 billion in the traditional general fund reserve, \$22.3 billion in the BSA, \$9.9 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. For fiscal year 2023-24, the 2023-24 Budget projects total general fund revenues and transfers of \$208.7 billion and authorizes expenditures of \$225.9 billion. The State is projected to end the 2023-24 fiscal year with total reserves of \$37.8 billion, including \$3.8 billion in the traditional general fund reserve, \$22.3 billion in the BSA, \$10.8 billion in the PSSSA and \$900 million in the Safety Net Reserve Fund. The 2023-24 Budget indicates that maintaining this level of reserves provides a prudent insurance policy, as the State continues to face revenue risks and uncertainty. Significantly, prolonged storm activity over the winter caused a tax filing delay affecting over 99% of tax filers in 55 of the State's 58 counties. This delay pushed the projected receipt of \$42 billion in State tax receipts into October, representing nearly one-fourth of the 2022-23 fiscal year's total projected personal income taxes, and nearly one third of the corporation tax.

The ending balance in the BSA is at the constitutional maximum amount, requiring any amounts in excess thereof to be dedicated to infrastructure improvements. The 2023-24 Budget also includes revised deposits to the PSSSA of \$4.8 billion and \$1.8 billion attributable to fiscal years 2021-22 and 2022-23, respectively, and authorizes a deposit in fiscal year 2023-24 of \$902 million. The balance of \$9.9 billion in the PSSSA in fiscal year 2022-23 triggers school district reserve caps in fiscal year 2023-24. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2” herein.

The 2023-24 Budget sets total funding for all K-12 education programs at \$129.2 billion, including \$79.5 billion from the State general fund and \$49.7 billion from other sources. The minimum funding guarantee in fiscal year 2023-24 is set at \$108.3 billion. The 2023-24 Budget also makes retroactive increases to the minimum funding guarantee in fiscal years 2021-22 and 2022-23, setting them at \$110.6 billion and \$107.4 billion, respectively. Test 1 is projected to be in effect over this three year period. To accommodate enrollment increases related to the expansion of transitional kindergarten (as further described below), the 2023-24 Budget rebenchs the Test 1 percentage, from approximately 38.2% to 38.5%, to increase the percentage of State general fund revenues that count towards the minimum funding guarantee.

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

- *Local Control Funding Formula:* The 2023-24 Budget funds a COLA of 8.22% to LCFF apportionments. When combined with declining enrollment adjustments, this increases year-over-year discretionary funds available to local educational agencies by approximately \$3.4 billion. The 2023-24 Budget also provides approximately \$1.6 billion in one-time Proposition 98 resources to support the ongoing costs of the LCFF in fiscal year 2023-24, and an increase of \$80 million in ongoing Proposition 98 funding for county offices of education serving students in juvenile court and other alternative school settings. Finally, to complement efforts to identify and address student group and school site equity gaps through school district LCAPs, the 2023-24 Budget provides \$300 million in ongoing Proposition 98 funding to establish an Equity Multiplier as an add-on to the LCFF to accelerate gains in closing opportunity and outcome gaps, and \$2 million in ongoing Proposition 98 funding to support the work of equity leads within the Statewide system of support.
- *Categorical Programs:* \$556.3 million in ongoing Proposition 98 funding to reflect an 8.22% COLA for specified categorical programs that remain outside of the LCFF.
- *Universal Transitional Kindergarten:* The funding levels in the 2023-24 Budget reflect \$357 million in ongoing Proposition 98 funding to support the first year of expanded eligibility for transition kindergarten to include all children turning five years old between September 2, and February 2 in fiscal year 2022-23 (roughly 29,000 children). Additionally, the 2023-24 Budget reflects \$238 million of Proposition 98 funding to support one additional classified or certificated staff person in every transitional kindergarten class in fiscal year 2022-23. The 2023-24 Budget includes \$597 million in ongoing Proposition 98 funding to support the second year of expanded eligibility to include all children turning five years old between September 2 and April 2 (roughly 42,000 children), beginning in fiscal year 2023-24. Additionally, the 2023-24 Budget includes \$165 million to support one additional certificated or classified employee in every transitional kindergarten class. The 2023-24 Budget also makes certain adjustments to the transitional kindergarten program, including (i) requiring that, commencing with the 2025-26 fiscal year, transitional kindergarten classrooms maintain a 1:10 adult-to-student ratio, (ii) enabling local educational agencies, in fiscal years 2023-24 and 2024-25, to enroll children whose fourth birthday falls between June 2 and September 1

- in transitional kindergarten if classrooms meet the 1:10 ratio and maintain a total class size of 20 or less students, and (iii) extending the deadline for credentialed teachers to have earned 24 early education college credits, or its equivalent, or earned a child development teacher permit or early childhood education specialist credential. Finally, the 2023-24 Budget delays, to fiscal year 2024-25, \$550 million of funding previously approved to support the construction or retrofit of full-day kindergarten and preschool facilities.
- *Literacy*: \$250 million in one-time Proposition 98 funding for high-poverty schools, using evidence-based practices, to train and hire literacy coaches and reading specialists for one-on-one and small group interventions for struggling readers. The 2023-24 Budget also provides \$1 million in one-time Proposition 98 funding to support efforts to begin screening students in kindergarten through second grade for risk of reading difficulties, including dyslexia. Finally, the 2023-24 Budget provides \$1 million in one-time Proposition 98 funding to create a literacy roadmap to help educators navigate literacy resources provided by the State.
 - *Educator Workforce*: The 2023-24 Budget includes a number of statutory changes to reduce barriers for those interested in entering the teacher profession, including (i) increasing the per-candidate allocation for the Teacher and School Counselor Residency Program, (ii) allowing greater time for residency candidates to complete their service requirements, (iii) providing additional ways for teachers to complete their teaching credentials, and (iv) allowing relocated U.S. military service members, or their spouses, to be issued a State teaching credential if they possess a valid, out-of-state credential. The 2023-24 Budget also provides \$10 million in one-time Proposition 98 funding for grants to local education agencies to provide culturally relevant support and mentorship for educators to become school administrators.
 - *Arts and Cultural Enrichment*: On November 8, 2022, State voters approved Proposition 28, which requires that an amount equal to 1% of the prior year's minimum funding guarantee be allocated to schools to increase arts instruction and arts programs in public education. The 2023-24 Budget includes approximately \$938 million to fund this mandate. The 2023-24 Budget also reflects a reduction of approximately \$200 million in one-time Proposition 98 funding previously approved for the Arts, Music and Instructional Materials Block Grant.
 - *Learning Recovery*: The 2022-23 State budget established the Learning Recovery Emergency Fund and appropriated \$7.9 billion in one-time Proposition 98 funding to establish a block grant to support local educational agencies in establishing learning recovery initiatives. The 2023-24 Budget delays approximately \$1.1 billion of such funding to fiscal years 2025-26 through 2027-28.
 - *Home-to-School Transportation*: The 2022-23 State budget provided \$1.5 billion in one-time Proposition 98 funding, available over five years, to support the greening of school buses as part of a Statewide zero-emissions initiative. The 2023-24 Budget delays \$1 billion of this funding to fiscal years 2024-25 and 2025-26.
 - *Nutrition*: \$154 million in additional ongoing Proposition 98 funding, and \$110 million in one-time Proposition 98 funding, to fully fund the universal school meals program in fiscal years 2022-23 and 2023-24.
 - *Teacher Development*: \$20 million in one-time Proposition 98 funding to support the Bilingual Teacher Professional Development Program. The 2023-24 Budget also provides \$6

million in one-time federal funds to support grants to teacher candidates enrolled in a special education teacher preparation program who agree to teach at a high-need school site.

- *Reversing Opioid Overdoses*: \$3.5 million in ongoing Proposition 98 funding for all middle school, high school and adult school sites to maintain at least two doses of medication to reverse an opioid overdose on campus.
- *Restorative Justice*: \$7 million in one-time Proposition 98 funding to support local educational agencies opting to implement restorative justice best practices.
- *School Safety*: \$119.6 million in one-time federal funds authorized by the Bipartisan Safer Communities Act to support local educational agency activities related to improving school climates and school safety.
- *After School Education*: \$3 million in one-time federal funds to support after school programs in rural school districts.
- *Facilities*: The 2023-24 Budget reflects a decrease of \$100 million in State general fund support for the State school facilities program. The 2023-24 Budget includes \$30 million in one-time Proposition 98 funding to support eligible facilities costs for the Charter School Facility Grant Program, and \$15 million in one-time Proposition 98 funding to support grants to local educational agencies to acquire and install commercial dishwashers.

For additional information regarding the 2023-24 Budget, see the DOF website at www.dof.ca.gov. However, the information presented on such website is not incorporated herein by any reference.

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

SELMA UNIFIED SCHOOL DISTRICT

The information in this section concerning the operations of the District and the District's finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds are payable from the general fund of the District. The Bonds are payable solely from the revenues generated by an ad valorem property tax levied by the County on taxable property within the boundaries of the District for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.

Introduction

The District was established on July 1, 1966, and is located in the southern portion of the County. The District serves the City of Selma and the surrounding rural area. The District operates seven elementary schools, one middle school, one high school, one adult high school, and one alternative school. For fiscal year 2022-23, the District has an enrollment of 5,939 students, an ADA of 5,540.25, and a total assessed valuation of \$2,141,072,627. For fiscal year 2023-24, the District has budgeted an enrollment of 5,933 students and an ADA of 5,595.64.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of subsequent audited financial reports of the District may be obtained by contacting: Selma Unified School District, Attention: Assistant Superintendent, Business and Support Services, 3036 Thompson Avenue, Selma, California 93662.

Administration

The District is governed by a five-member Board, each member of which is elected by trustee area to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their offices and the dates their terms expire, are listed below:

BOARD OF TRUSTEES Selma Unified School District

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Rosemary Alanis	President	December 2024
Narinder Sahota	Vice President	December 2024
Joel Fedor	Clerk	December 2026
Estella Kessler	Member	December 2026
Mark Medina	Member	December 2026

Brief biographies of the Superintendent and the Assistant Superintendent, Business and Support Services of the District follow.

Edward Gomes, Superintendent. Edward Gomes joined the District as Interim Superintendent in June 2023. Effective July 1, 2023, Mr. Gomes will serve as the District's Superintendent. Mr. Gomes most recently served as Instructional Superintendent at Fresno Unified School District. He has also previously held the positions of Principal of elementary and middle schools and Administrator of Leadership Development. Mr. Gomes received a Bachelor's degree in Spanish from California State University, Fresno and a Master's degree in Education from Fresno Pacific University.

Andrea Affrunti, Assistant Superintendent, Business and Support Services. Andrea Affrunti was appointed Assistant Superintendent, Business and Support Services of the District effective June 2021. Immediately prior thereto, she served as the Chief Business Officer of Parlier Unified School District. Her prior positions also include Assistant Superintendent of Business, Facilities and Financial Services, Chief Business Official, Business Manager, and Director of Business and HR. Ms. Affrunti received a Bachelor's degree in Accounting from the University of Phoenix.

District Enrollment

On average throughout the District, the regular education pupil-teacher ratio is approximately 23.5:1 in grades K-3, 28.1:1 in grades 4-5, 19.7:1 in grades 6-8, and 19.9:1 in grades 9-12. The following table reflects the enrollment history for the District for the last 10 years, and budgeted enrollment for fiscal year 2023-24.

DISTRICT ENROLLMENT **Fiscal Years 2013-14 through 2023-24** **Selma Unified School District**

<u>Fiscal Year</u>	<u>Enrollment⁽¹⁾</u>	<u>Change in Enrollment</u>
2013-14	6,531	--
2014-15	6,483	(48)
2015-16	6,578	95
2016-17	6,504	(74)
2017-18	6,501	(3)
2018-19	6,393	(108)
2019-20	6,258	(135)
2020-21	6,050	(208)
2021-22	6,001	(49)
2022-23	5,939	(62)
2023-24 ⁽²⁾	5,933	(6)

⁽¹⁾ Reflects CALPADS enrollment.

⁽²⁾ Budgeted.

Source: Selma Unified School District.

Labor Relations

As of February 2023, the District employed 333 full-time equivalent ("FTE") certificated employees, 430 FTE classified employees, and 79 management employees. District employees, except management and some part-time employees, are represented by the two bargaining units noted below:

BARGAINING UNITS **Selma Unified School District**

<u>Labor Organization</u>	<u>Number of Employees in Organization</u>	<u>Contract Expiration Date</u>
Selma Unified Teachers Association (CTA/NEA)	333	June 30, 2022 ⁽¹⁾
California School Employees Association	430	June 30, 2024

⁽¹⁾ Employees continue to work under the terms of expired contract. A tentative agreement was reached on June 9, 2023, and is expected to be ratified by the Board on July 25, 2023. If ratified, the new agreement would expire on June 30, 2025.

Source: Selma Unified School District.

District Retirement Systems

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

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

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

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

MEMBER CONTRIBUTION RATES STRS (Defined Benefit Program)

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

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members ("PEPRA Members") hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees ("Classic Members") hired before the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable

compensation effective July 1, 2018. For fiscal year commencing July 1, 2021, the contribution rate was 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2022, the contribution rate is 10.250% for Classic Members and 10.205% for PEPRA Members. For fiscal year commencing July 1, 2023, the contribution rate will be 10.250% for Classic Members and 10.205% for PEPRA Members.

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

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

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

Source: AB 1469.

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

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated \$2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21, resulting in employer contribution rates of 17.1% in fiscal year 2019-20 and 18.4% in fiscal year 2020-21. In addition, the State made a contribution of \$1.117 billion to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. This additional payment was reflected in the June 30, 2020 actuarial valuation. Subsequently, the State's 2020-21 Budget redirected \$2.3 billion previously appropriated to STRS and PERS pursuant to SB 90 for long-term unfunded liabilities to further reduce the employer contribution rates in fiscal year 2020-21 and 2021-22. As a result, the effective employer contribution rate was 16.15% in fiscal year 2020-21 and is 16.92% in fiscal year 2021-22. See "DISTRICT FINANCIAL INFORMATION – State Budget Measures" herein. The employer contribution rate is 19.1% in fiscal year 2022-23 and will be 19.1% in fiscal year 2023-24.

The District's contributions to STRS were \$4,945,352 in fiscal year 2017-18, \$5,739,717 in fiscal year 2018-19, \$5,968,232 in fiscal year 2019-20, \$5,090,075 in fiscal year 2020-21, \$6,383,106 in fiscal year 2021-22, and \$11,201,178 (estimated) in fiscal year 2022-23. The District has budgeted a contribution of \$11,474,816 to STRS for fiscal year 2023-24.

The State also contributes to STRS, currently in an amount equal to 8.328% for fiscal year 2022-23. The State's contribution to STRS for fiscal year 2023-24 will remain 8.328%. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. However, the maximum increase or decrease in a given year is limited to 0.5% of payroll under the STRS valuation policy. Once the State has eliminated its share of the STRS' unfunded actuarial obligation, the State contribution will be immediately reduced to the base contribution rate of 2.017% of payroll.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the California Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2021 included 1,608 public agencies and 1,329 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. Pursuant to SB 90, the State Legislature appropriated \$904 million to the Schools Pool, including transfers in fiscal years 2019-20 and 2020-21 to the Public Employees Retirement Fund to pay, in advance on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years, as well as additional amounts to be applied toward certain unfunded liabilities for K-14 school district employers. In June 2020, SB 90 was amended by Assembly Bill 84/Senate Bill 111 ("AB 84"). Under AB 84, \$144 million of the State contribution under SB 90 was deemed to satisfy a portion of the State's required contribution in fiscal year 2019-20, and the amounts previously allocated toward future liabilities were redirected such that, \$430 million will satisfy a portion of the employer contribution rate in fiscal year 2020-21, and \$330 million will satisfy a portion of the employer contribution rate in fiscal year 2021-22. As a result of the payments made by the State pursuant to SB 90, as amended by AB 84, the employer contribution rate was 19.721% for fiscal year 2019-20, 20.7% for fiscal year 2020-21, and 22.91% for fiscal year 2021-22. See "DISTRICT FINANCIAL INFORMATION – State Budget Measures" herein. The employer contribution rate is 25.37% in fiscal year 2022-23 and will be 26.68% in fiscal year 2023-24. Classic Members contribute at a rate established by statute, which is 7% in fiscal year 2022-23 and will be 7% in fiscal year 2023-24, while PEPRAs Members contribute at an actuarially

determined rate, which is 8% in fiscal year 2022-23. Due primarily to the change in the discount rate, the total normal cost of PEPRA Members changed by more than 1% of payroll relative to fiscal year 2021-22, which required the PEPRA Member contribution rate to be adjusted to equal 50% of the total normal cost of 15.91% in fiscal year 2022-23. For the Schools Pool Actuarial Valuation as of June 30, 2022 (the “2022 PERS Actuarial Valuation”), expected to be released in the latter half of 2023, the total normal cost did not change by more than 1% relative to the basis currently in effect, therefore the PEPRA Member contribution rate will remain 8% in fiscal year 2023-24. See “—California Public Employees’ Pension Reform Act of 2013” herein.

The District’s contributions to PERS were \$1,777,259 in fiscal year 2017-18, \$2,221,542 in fiscal year 2018-19, \$2,433,873 in fiscal year 2019-20, \$2,431,181 in fiscal year 2020-21, \$2,829,402 in fiscal year 2021-22, and \$3,919,453 (estimated) in fiscal year 2022-23. The District has budgeted a contribution of \$4,302,505 to PERS for fiscal year 2023-24.

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

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

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FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) ⁽¹⁾
Fiscal Years 2010-11 through 2021-22

<u>STRS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)⁽²⁾</u>	<u>Unfunded Liability (MVA)⁽²⁾</u>	<u>Value of Trust Assets (AVA)⁽³⁾</u>	<u>Unfunded Liability (AVA)⁽³⁾</u>
2010-11	\$208,405	\$147,140	\$68,365	\$143,930	\$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152
2018-19	310,719	225,466	102,636	205,016	105,703
2019-20	322,127	233,253	107,999	216,252	105,875
2020-21	332,082	292,980	60,136	242,363	89,719

<u>PERS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)</u>	<u>Unfunded Liability (MVA)</u>	<u>Value of Trust Assets (AVA)⁽³⁾</u>	<u>Unfunded Liability (AVA)⁽³⁾</u>
2010-11	\$58,358	\$45,901	\$12,457	\$51,547	\$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	-- ⁽⁴⁾	-- ⁽⁴⁾
2014-15	73,325	56,814	16,511	-- ⁽⁴⁾	-- ⁽⁴⁾
2015-16	77,544	55,785	21,759	-- ⁽⁴⁾	-- ⁽⁴⁾
2016-17	84,416	60,865	23,551	-- ⁽⁴⁾	-- ⁽⁴⁾
2017-18	92,071	64,846	27,225	-- ⁽⁴⁾	-- ⁽⁴⁾
2018-19 ⁽⁵⁾	99,528	68,177	31,351	-- ⁽⁴⁾	-- ⁽⁴⁾
2019-20 ⁽⁶⁾	104,062	71,400	32,662	-- ⁽⁴⁾	-- ⁽⁴⁾
2020-21	110,507	86,519	23,988	-- ⁽⁴⁾	-- ⁽⁴⁾
2021-22 ⁽⁷⁾	116,982	79,386	37,596	-- ⁽⁴⁾	-- ⁽⁴⁾

⁽¹⁾ Amounts may not add due to rounding.

⁽²⁾ Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.

⁽³⁾ Reflects actuarial value of assets.

⁽⁴⁾ Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

⁽⁵⁾ For the fiscal year 2020-21 actuarially determined contribution, the additional \$430 million State contribution made pursuant to AB 84 did not directly impact the actuarially determined contribution as it was not yet in the Schools Pool by the June 30, 2019 actuarial valuation date. The additional State contribution was treated as an advance payment toward the unfunded accrued liability contribution with required employer contribution rate correspondingly reduced.

⁽⁶⁾ For the fiscal year 2021-22 actuarially determined contribution, the impact of the additional \$330 million State contribution made pursuant to AB 84 is directly reflected in the actuarially determined contribution, because the additional payment was in the Schools Pool as of the June 30, 2020 actuarial valuation date, which served to reduce the required employer contribution rate by 2.16% of payroll.

⁽⁷⁾ On April 17, 2023, the PERS Board (defined below) approved the K-14 school district contribution rate for fiscal year 2023-24 and released certain actuarial information to be incorporated into the 2022 PERS Actuarial Valuation to be released in the latter half of 2023.

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

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015) (the “2017 Experience Analysis”), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member’s increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the “2016 STRS Actuarial Valuation”). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation, and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%.

Based on the multi-year CalSTRS 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 Analysis, 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 Classic Members and PEPRAs Members to better reflect the anticipated impact of years of service on retirements. The 2021 STRS Actuarial Valuation (defined below) continues using the Entry Age Normal Actuarial Cost Method.

The STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2022 (the “2022 STRS Actuarial Valuation”) reports that, based on an actuarial value of assets, the unfunded actuarial obligation decreased by approximately \$1.17 billion since the 2021 STRS Actuarial Valuation and the funded ratio increased by 1.4% to 74.4% over such time period, despite a negative investment return in 2021-22. The main reason for the increase in the funded ratio was the recognition of the deferred investment gains from prior years, primarily an investment gain of 27.2% in 2020-21, which has been partially offset by the impact of the less-than-assumed investment return for the most recently completed fiscal year (2021-22). For actuarial purposes, the STRS Board has approved the use of an actuarial value of assets, which smooths the volatility of investment returns by reflecting only one-third of the net accumulated investment gains or losses in a year. The investment gains that were set aside in the 2021 STRS Actuarial Valuation were more than sufficient to cover the full impact of the negative investment return in 2021-22. Another reason for the improved funding levels and decrease in unfunded actuarial obligation were the additional supplemental payments made by the State in 2021-22 (\$584 million in 2021-22 above what was required by the contribution rate adopted by the STRS Board). Using the Fair Market Value of Assets, the funded ratio has decreased by 6.7% since 2021 Actuarial Valuation from 81.9% to 75.2%, primarily due to the actual market returns for the 2021-22 fiscal year being less than the assumed investment return of 7%. The STRS Board has no authority to adjust rates to pay down the portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990 (the “Unallocated UAO”). There was a decrease in the surplus (a negative unfunded actuarial obligation) for the Unallocated UAO from \$469 million as of June 30, 2021 to \$359 million as of June 30, 2022.

According to the 2022 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 100.3%. This finding assumes adjustments to contribution rates in line with the funding plan and STRS Board policies, the future recognition of the currently deferred asset gains, and is based on the valuation

assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In its Annual Comprehensive Financial Report for fiscal year ending June 30, 2022, STRS reported a money weighted net return on investment of negative 2.4% and time-weighted net return on investments of negative 1.3% for fiscal year 2021-22, ending with the total fund value of \$301.6 billion as of June 30, 2022. When STRS released the preliminary investment return for fiscal year 2021-22 on July 29, 2022, STRS noted that it is the first negative return since 2009, reflecting the ongoing volatility in the global financial markets impacted by inflation, rising interest rates, COVID-19 and the war in Ukraine. Due in part to the 27.2% return in fiscal year 2020-21, STRS remains in position to be fully funded by 2046.

On November 2, 2022, STRS released its 2022 Review of Funding Levels and Risks (the STRS 2022 Review of Funding Levels and Risks”), which is based on the 2021 STRS Actuarial Valuation and reflects all relevant changes that have occurred since 2021 STRS Actuarial Valuation, including the negative 2.4% money-weighted investment loss reported for the 2021-22 fiscal year. The key results and findings noted in the STRS 2022 Review of Funding Levels and Risks were that (i) the State’s share of the STRS unfunded actuarial obligation is still projected to be eliminated prior to 2046 (currently projected to be eliminated by fiscal year 2029-30), but not as early as projected in the June 30, 2021 valuation, (ii) the current contribution rates for the State and employers are projected to be sufficient to eliminate their share of the STRS unfunded actuarial obligation by 2046 and contribution rate increases are not expected to be needed for fiscal year 2023-24, (iii) the largest risk facing STRS’ ability to reach full funding remains investment-related risk, especially considering the Defined Benefit Program continues to mature, which will increase the system’s sensitivity to investment experience, and the State’s share of the unfunded actuarial obligation could quickly increase if STRS were to experience another year in which the investment return is significantly below the assumed rate of return, (iv) anticipated continued decreases in enrollment in K-12 public schools could lead to future declines in the size of the active membership, resulting in lower than anticipated payroll growth, which could negatively impact STRS’ ability to achieve full funding, requiring contribution rate increases, especially among employers, (v) a recession resulting in a period of low investment returns and a decline in the size of the active membership could hurt STRS ability to reach full funding, and (vi) the ability of the funding plan to allow STRS to reach full funding is dependent on STRS meeting its current actuarial assumptions over the long term, while uncertainty around inflation, investment markets and payroll growth could put pressure on STRS’ ability to meet some of its long-term actuarial assumptions. In addition, with respect to investment related risks, the STRS 2022 Review of Funding Levels and Risks notes that once the State’s supplemental contribution rate is reduced to zero (as discussed above), if it were ever needed to be increased again, the STRS Board will be limited to increases of only 0.5% of payroll each year, which could take the STRS Board years before it is able to increase the rate to the levels necessary to reduce any newly realized unfunded actuarial obligation.

Between 2019 and 2020, the number of teachers actively working dropped from 451,000, to about 448,000. Between 2020 and 2021, the number of active teachers continued to drop to about 429,000, which resulted in a payroll that remained flat, below the 3.5% annual payroll growth assumption. In 2022, the total number of active members was back to the levels last seen prior to the start of the COVID-19 pandemic, increasing by approximately 20,000 over the last fiscal year. The total payroll increased by more than 6% over the last fiscal year, resulting in STRS collecting more contributions from employers than expected. The STRS 2022 Review of Funding Levels and Risks notes that, a likely contributor to the decline in active membership in 2020-21 was the higher than expected retirements STRS experienced that fiscal year and the uncertainties related to the COVID-19 pandemic. Although an increase in retirements would normally not impact long-term funding, decisions made by employers about whether to replace the teachers who have retired can impact STRS ability to reach full

funding by 2046, especially if it leads to an overall reduction in the number of teachers working in the State and a reduction in total payroll. The STRS 2022 Review of Funding Levels and Risks, also notes that another area of particular concern related to payroll growth and the number of teachers in the State is the decreasing population of children enrolled in K-12 schools in the State. Total enrollment in public schools in the State dropped 271,000, or 4.4% reduction, between 2019-20 and 2021-22. Several factors contributed to the drop of enrollment during that time period, including the increase in the number of homeschool students and students enrolled in private schools during the COVID-19 pandemic. The STRS 2022 Review of Funding Levels and Risks notes that it is unclear whether the decrease in overall enrollment is permanent or simply a temporary effect of the COVID-19 pandemic. See “DISTRICT FINANCIAL MATTERS – Considerations Regarding COVID-19” herein. In September 2022, the State updated its projection of K-12 enrollment for the State, which assumes the number of children enrolled in K-12 schools will decline approximately 9% over the next 10 years.

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

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board 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 a three-year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went 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 (defined below) will also see their contribution rates rise. The PERS Funding Risk Mitigation Policy recently triggered an automatic decrease of 0.2% in the PERS Discount Rate due to the investment return in fiscal year 2020-21, lowering such rate to 6.8%.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The 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 with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

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

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on November 17, 2021 (the “2021 Experience Study”), the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.30% per year, (ii) increasing the assumed real wage inflation assumption to 0.5%, which results in a total wage inflation of 2.80%, (iii) increasing the payroll growth rate to 2.80%, and (iv) certain changes to demographic assumptions relating to modifications to the mortality rates, retirement rates, and disability rates (both work and non-work related), and rates of salary increases due to seniority and promotion. These actuarial assumptions will be incorporated into the actuarial valuation for fiscal year ending June 30, 2021 and will first impact contribution rates for school districts in fiscal year 2022-23. Based on the timing of the study, the member data used in the analysis, which runs through June 30, 2019, does not include the impacts of COVID-19. Preliminary analysis of the system experience since the beginning of the pandemic has shown demographic experience (e.g. retirements, deaths, etc.) did differ from the current actuarial assumptions in some areas, which will be more precisely quantified in future actuarial valuations.

On November 15, 2021, the PERS Board selected a new asset allocation mix through its periodic Asset Liability Management Study that will guide the fund’s investment portfolio for the next four years, retained the current 6.8% discount rate and approved adding 5% leverage to increase diversification. The new asset allocation takes effect July 1, 2022 and will impact contribution rates for employers and PEPPRA employees beginning in fiscal year 2022-23.

The Schools Pool Actuarial Valuation as of June 30, 2021 (the “2021 PERS Actuarial Valuation”), reported that from June 30, 2020 to June 30, 2021 the funded ratio of the Schools Pool increased by 9.7% (from 68.6% to 78.3%), which was primarily due to investment return in 2020-21 being greater than expected, offset partially by the reduction in discount rate from 7.00% to 6.80%. On July 12, 2021 PERS reported a preliminary 21.3% net return on investments for fiscal year 2021. Since the preliminary return sufficiently exceeded the 7.00% discount rate, the Funding Risk Mitigation Policy triggered a 0.20% reduction in the discount rate, from 7.00% to 6.8%. Pursuant to the Funding Risk Mitigation and Actuarial Amortization policies, a portion of the investment gain was used to fully offset the increase in unfunded liability resulting from the decrease in discount rate. The remaining net investment gain was amortized over 20 years with a five year ramp.

In its Basic Financial Statements for fiscal year ending June 30, 2022, PERS reported a time-weighted net return on investment of negative 6.1% and a money-weighted net return on investment of negative 7.5% for fiscal year 2021-22. When PERS released the preliminary investment returns for fiscal year 2021-22 on July 20, 2022, PERS noted that volatile global financial markets, geopolitical instability, domestic interest rate hikes, and inflation all had an impact on the investment return. The investment

return for fiscal year 2021-22 will be reflected in contribution levels for the State and employers in fiscal year 2023-24.

In November 2022, PERS released its 2022 Annual Review of Funding Levels and Risk (the “2022 PERS Funding Levels and Risk Report”), which provided a summary of the current funding levels of the system, the near-term outlook for required contributions and risks faced by the system in the near and long-term. The results presented in the 2022 PERS Funding Levels and Risk Report are based on the June 30, 2021 annual valuations, which have been projected forward to June 30, 2022 based on preliminary investment performance for the year ending June 30, 2022. The unfavorable investment returns during the year ending June 30, 2022 resulted in decreases to the funded ratios for PERS plans. The funded status of the Schools Pool decreased from 78.3% as of June 30, 2021 to a projected 69% as of June 30, 2022. The 2022 PERS Funding Levels and Risk Report notes that the pandemic has potential to alter the experience of the retirement in several different areas, including investment returns, inflation, deaths, retirements, terminations, disability retirements, and pay increases. See “DISTRICT FINANCIAL MATTERS – Considerations Regarding COVID-19” herein. The 2022 PERS Funding Levels and Risk Report notes that over the next several years, inflation and near-term economic decline, also have the potential to either increase required contributions or add additional financial strain on employers and their ability to make required contributions. PERS and its members are potentially impacted by high inflation because wages generally keep pace with inflation over the long-term, many retirees are likely to receive higher cost-of-living adjustments but will likely still lose purchasing power, and increases in wages exceeding the assumed increases and higher COLAs result in higher contributions for employers. In addition, many forecasters are predicting an economic slowdown in the near future, which could lead to lower investment returns, increased investment volatility, and higher unemployment. If the system experiences lower than expected investment returns, the potential impact on required contributions, combined with the impacts of high inflation, could push contribution rates to levels that would prove challenging for some employers.

On April 17, 2023, the PERS Board established the employer contribution rates for fiscal year 2023-24 and released information from the 2022 PERS Actuarial Valuation, ahead of its release date in the latter half of 2023. From June 30, 2021 to June 30, 2022, the funded status of the Schools Pool decreased by 10.4% (from 78.3% to 67.9%) and the unfunded accrued liability increased by \$13.6 billion. This deterioration in funded status was due primarily to the lower-than-expected investment return in fiscal year 2021-22. From the Basic Financial Statements issued on November 15, 2022, PERS reported a return on investments of a negative 7.5% (before recognition of administrative expenses) for fiscal year 2021-22 compared to an expected return of 6.8%, which generated an actuarial investment loss of \$12.4 billion. This loss will be amortized over 20 years with a five-year ramp (phase-in) increasing the employer contribution rate in fiscal year 2022-23 by 1.69% of payroll. Due to the five-year ramp, this impact will increase in each year until it reaches an estimated 7.6% of payroll in fiscal year 2027-28. Non-investment experience during fiscal year 2021-22 produced an actuarial loss of \$1.6 billion, which will be amortized over 20 years. The two most significant sources of non-investment experience were salary increases for active members (averaging 8.0% for members actively employed during the entire year ending June 30, 2022) and benefit increases to annuitants, both of which generated an actuarial experience loss. Total reported payroll in fiscal year 2021-22 increased by 10.2% over the prior year, compared to 2.8% expected, which served to reduce the employer contribution rate for fiscal year 2023-24 by 1.04% of payroll. Assuming all actuarial assumptions are realized, including an assumed investment return of 6.80%, and 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 Classic Members to PEPPRA Members, the projected contribution rate for fiscal year 2024-25 is 27.7%, with annual increases in most years thereafter, resulting in a projected 29.8% employer contribution rate in fiscal year 2028-29. The actual investment return for fiscal year 2022-23 was not known at the time this projection was made. The projections above assume the investment return for that

year will be 6.8%. If the actual investment return differs from 6.8%, the actual contribution requirements for the projected years will differ from those shown above. During the time period between the valuation date and the release of information from the 2022 PERS Actuarial Valuation in April 2023, inflation has been significantly higher than the expected rate of 2.3% per annum. Higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2023 valuation. Future contribution requirements may differ significantly. The actual long term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

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

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For PEPRAs Members, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (previously, 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.

The District's proportionate share of the net STRS and PERS pension liabilities, as of June 30, 2022, were \$27,158,719 and \$16,690,502, respectively. For additional information, see "APPENDIX B – 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note K" attached hereto.

Other Post-Employment Benefits

Benefit Plan. The District administers a single employer defined benefit healthcare plan (the "Plan") which provides health insurance coverage (the "Benefits") to eligible retirees. All coverages are self-insured on a pooled bases through the Self-Insured Schools of California. As of June 30, 2022, there were approximately 35 retirees receiving Benefits, as well as approximately 722 active employees who may become eligible to retire and receive Benefits under the Plan in the future.

The amount and duration of District-paid contributions for the Benefits vary by employment classification, age, and date of hire:

All employees hired prior to January 1, 1992 are eligible to receive District-paid Benefits after the later of age 55 and 10 years of service, with the most recent five years of service as a full-time employee.

Certificated employees hired on or after January 1, 1992 are eligible to receive District-paid Benefits after the later of age 55 and 18 years of service, with the most recent five years of service as a full-time employee.

Classified employees hired on or after January 1, 1992 are eligible to receive District-paid Benefits after the later of age 55 and 15 years of service, with the most recent two years of service as a full-time employee.

Funding Policy. The contribution requirements of Plan members and the District are established and may be amended by the Board. Expenditures for the Benefits are recognized on a "pay-as-you-go basis" covering the cost of premiums paid for current retirees. For fiscal years 2017-18 through 2021-22, the District contributed \$530,726, \$771,257, \$625,461, \$641,689, and \$557,681, respectively, for such expenditures, all of which was used to pay current premiums. For fiscal year 2022-23, the District currently estimates it will have contributed \$650,430 for such expenditures, all of which is expected to be used to pay current premiums. The District has budgeted a contribution of \$650,430 for such expenditures in fiscal year 2023-24.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved *GASB Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB 74") and *GASB Statement #75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75") with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB 45.

Most of GASB 74 applies to plans administered through trusts, in which contributions are irrevocable, trust assets are dedicated to providing other post-employment benefits to plan members and trust assets are legally protected from creditors. GASB 74 and GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (the “NOL”), to be recognized on the balance sheet of the plan and the participating employer’s financial statements. In addition, an OPEB expense (service cost plus interest on Total OPEB Liability (the “TOL”) plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan’s net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB 74, the measurement date must be the same as the plan’s fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the TOL, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position (the “FNP”) is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB. The FNP measures the value of trust assets, adjusted for payees and receivables.

GASB 74 has an effective date for plan fiscal years beginning after June 15, 2016, and was first recognized in the District’s financial statements for fiscal year 2016-17. GASB 75 has an effective date for employer fiscal years beginning after June 15, 2017, and the District first recognized GASB No. 75 in their financial statements for fiscal year 2017-18. For more information, see “APPENDIX B – 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note L” attached hereto.

Actuarial Study. The District has implemented GASB 74 and GASB 75, pursuant to which the District has commissioned and received several actuarial studies of its liability with respect to the Benefits. GASB 74 and GASB 75 require biennial actuarial valuations for all plans. The most recent actuarial study, dated November 9, 2022 and with a valuation date of July 1, 2021 (the “Study”), concluded that, as of a June 30, 2022 measurement date, the TOL with respect to the Plan was \$20,693,755. Because the District does not maintain a qualifying irrevocable trust, the District’s FNP was \$0, and the NOL is equal to the TOL. For more information regarding the District’s other post-employment benefit liability, see “APPENDIX B – 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note L” attached hereto.

Early Retirement Incentive

The District has offered certain eligible employees an early retirement incentive (the “Retirement Incentive”) through the PARS Supplementary Retirement Plan. At June 30, 2022, the annual requirements to amortize the Retirement Incentive are as shown in the following table.

EARLY RETIREMENT INCENTIVE PAYMENTS As of June 30, 2022 Selma Unified School District

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$174,730	\$12,241	\$186,971
2024	155,060	11,159	166,219
<u>2025</u>	<u>23,688</u>	<u>1,303</u>	<u>24,991</u>
Totals	<u>\$353,478</u>	<u>\$24,703</u>	<u>\$378,181</u>

Source: Selma Unified School District.

Cybersecurity

The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the District’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The District carries cybersecurity insurance.

Joint Powers Authorities

The District is exposed to various risks related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District currently participates in joint ventures with the Fresno County Self-Insurance Group for workers’ compensation coverage; the Organization of Self-Insured Schools for property and liability insurance coverage; and the Valley Regional Occupational Program for student R.O.P. classes. The relationships between the District and the JPAs are such that none of the JPAs are component units of the District for financial reporting purposes. The JPAs provide insurance and services as noted above for member school districts. Each JPA is governed by a board consisting of a representative from each member district. Each district, including the District, pays premiums and fees commensurate with the level of coverage or services requested, and shares surpluses and deficits proportionate to its participation.

See “APPENDIX B – 2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note P” attached hereto.

District Debt Structure

Short-Term Debt. The District currently has no outstanding short-term debt obligations.

Long-Term Debt. A schedule of changes in long-term debt for the fiscal year ended June 30, 2022 is shown below:

LONG-TERM DEBT OBLIGATIONS As of June 30, 2022 Selma Unified School District

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>
Governmental Activities				
General obligation bonds	\$47,996,126	--	\$1,131,918	\$46,864,208
Accreted interest	5,116,176	\$604,054	198,082	5,522,148
Qualified zone academy bonds	7,714,284	--	964,286	6,749,998
Other post-employment benefits payable	19,675,681	1,018,074	--	20,693,755
Net pension liability	90,639,805	--	46,790,584	43,849,221
Certificates of participation ⁽¹⁾	2,161,768	--	328,966	1,832,802
Note payable ⁽²⁾	8,412,200	--	8,159,518	252,682
Compensated absences	333,673	--	40,129	293,544
Early retirement incentives - PARS	<u>528,208</u>	--	<u>174,730</u>	<u>353,478</u>
TOTAL	<u>\$182,577,921</u>	<u>\$1,622,128</u>	<u>\$57,788,213</u>	<u>\$126,411,836</u>

⁽¹⁾ See “– Lease Refinancing” herein.

⁽²⁾ See “– Energy Conservation Project” herein.

Source: Selma Unified School District.

General Obligation Bonds. The District received authorization at an election held on November 7, 2006 by the requisite 55% of the votes cast by eligible voters within the District to issue \$23,800,000 aggregate principal amount of general obligation bonds (the “2006 Authorization”). The District has issued five series of bonds pursuant to the 2006 Authorization, as well as one series of refunding bonds to refund bonds issued pursuant to the 2006 Authorization. Currently, no significant portion of the 2006 Authorization remains unissued.

The District received authorization at an election held on November 8, 2016 by the requisite 55% of the votes cast by eligible voters within the District to issue \$30,800,000 aggregate principal amount of general obligation bonds (the “2016 Authorization”). The District has issued three series of bonds pursuant to the 2016 Authorization. Currently, no portion of the 2016 Authorization remains unissued.

Pursuant to the 2022 Authorization, the District received authorization at an election held on November 8, 2022 by the requisite 55% of the votes cast by eligible voters within the District to issue \$36,000,000 aggregate principal amount of general obligation bonds. The Bonds are the first series of bonds issued pursuant to the 2022 Authorization. Following the issuance of the Bonds, \$27,000,000 of the 2022 Authorization will remain unissued.

The following table summarizes the District's outstanding general obligation bond issuances.

OUTSTANDING GENERAL OBLIGATION BONDS⁽¹⁾
Selma Unified School District

Bond Issuance		Initial Principal Amount	Principal Currently Outstanding⁽²⁾	Date of Delivery
2006 Authorization	General Obligation Bonds, Election of 2006, Series 2007B	\$3,772,060.75	\$1,584,448.75	November 20, 2007
	General Obligation Bonds, Election of 2006, Series 2009C	3,000,008.05	2,775,000.90	September 29, 2009
	2014 General Obligation Refunding Bonds ⁽³⁾	10,460,000.00	7,775,000.00	December 18, 2014
	General Obligation Bonds, Election of 2006, Series 2020D	4,045,273.80	4,045,273.80	February 26, 2020
	General Obligation Bonds, Election of 2006, Series 2020E	1,482,187.80	1,482,187.80	September 10, 2020
2016 Authorization	General Obligation Bonds, Election of 2016, Series 2017A	10,100,000.00	8,590,000.00	February 23, 2017
	General Obligation Bonds, Election of 2016, Series 2019B	7,000,000.00	6,130,000.00	January 29, 2019
	General Obligation Bonds, Election of 2016, Series 2020C	<u>13,700,000.00</u>	<u>13,320,000.00</u>	February 26, 2020
Totals:		<u>\$53,559,530.40</u>	<u>\$45,701,911.25</u>	

⁽¹⁾ Does not include the Bonds.

⁽²⁾ As of May 1, 2023.

⁽³⁾ Refunded a portion of the then-outstanding General Obligation Bonds, Election of 2006, Series 2007.

Source: Selma Unified School District.

The table on the following page shows future debt service payments on all of the District's outstanding general obligation bonds, including the Bonds, and assuming no further optional redemptions.

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GENERAL OBLIGATION BONDS – CONSOLIDATED DEBT SERVICE SCHEDULE
Selma Unified School District

	<u>2006 Authorization</u>				<u>2016 Authorization</u>				<u>2022</u> <u>Authorization</u>	
<u>Year Ending</u> <u>(Aug. 1)</u>	<u>Series 2007B</u> <u>Bonds</u>	<u>Series 2009C</u> <u>Bonds</u>	<u>Series 2020D</u> <u>Bonds</u>	<u>Series 2020E</u> <u>Bonds⁽¹⁾</u>	<u>2014</u> <u>Refunding</u> <u>Bonds</u>	<u>Series 2017A</u> <u>Bonds</u>	<u>Series 2019B</u> <u>Bonds</u>	<u>Series 2020C</u> <u>Bonds</u>	<u>The</u> <u>Bonds</u>	<u>Total</u> <u>Annual</u> <u>Debt</u> <u>Service</u>
2023	\$375,000.00	\$65,000.00	--	--	\$917,543.76	\$444,543.76	\$289,862.50	\$514,093.76	--	\$2,606,043.78
2024	350,000.00	75,000.00	--	--	993,743.76	458,243.76	289,862.50	441,993.76	\$1,252,990.69	3,861,834.47
2025	375,000.00	70,000.00	--	--	1,035,943.76	470,843.76	289,862.50	441,993.76	1,337,037.50	4,020,681.28
2026	375,000.00	70,000.00	--	--	1,102,693.76	487,993.76	289,862.50	441,993.76	1,384,287.50	4,151,831.28
2027	375,000.00	75,000.00	--	--	1,164,193.76	499,543.76	289,862.50	441,993.76	281,787.50	3,127,381.28
2028	375,000.00	75,000.00	--	--	1,240,443.76	514,343.76	289,862.50	501,993.76	281,787.50	3,278,431.28
2029	375,000.00	75,000.00	--	--	1,315,443.76	533,343.76	289,862.50	534,593.76	281,787.50	3,405,031.28
2030	400,000.00	65,000.00	--	--	1,383,543.76	548,093.76	289,862.50	575,793.76	281,787.50	3,544,081.28
2031	400,000.00	60,000.00	\$700,000.00	\$260,000.00	216,825.00	562,243.76	289,862.50	620,193.76	281,787.50	3,390,912.52
2032	1,950,000.00	65,000.00	--	--	--	580,525.00	309,862.50	637,593.76	381,787.50	3,924,768.76
2033	--	2,000,000.00	--	--	--	597,425.00	329,212.50	663,293.76	376,787.50	3,966,718.76
2034	--	2,200,000.00	--	--	--	618,481.26	342,912.50	693,393.76	371,787.50	4,226,575.02
2035	--	2,300,000.00	--	--	--	633,156.26	366,125.00	722,793.76	366,787.50	4,388,862.52
2036	--	2,400,000.00	--	--	--	651,956.26	388,525.00	746,100.00	381,787.50	4,568,368.76
2037	--	2,500,000.00	--	--	--	674,706.26	405,112.50	782,300.00	395,787.50	4,757,906.26
2038	--	2,500,000.00	--	--	--	695,750.00	431,050.00	806,500.00	408,787.50	4,842,087.50
2039	--	1,000,000.00	910,000.00	360,028.50	--	714,750.00	455,818.76	839,100.00	425,787.50	4,705,484.76
2040	--	--	1,700,000.00	620,000.00	--	736,750.00	479,112.50	874,700.00	438,387.50	4,848,950.00
2041	--	--	1,775,000.00	671,011.20	--	756,500.00	506,318.76	913,100.00	455,187.50	5,077,117.46
2042	--	--	1,845,000.00	600,000.00	--	779,000.00	537,256.26	949,100.00	470,987.50	5,181,343.76
2043	--	--	190,000.00	--	--	804,000.00	561,743.76	987,700.00	485,787.50	3,029,231.26
2044	--	--	--	--	--	831,250.00	589,962.50	1,028,700.00	504,587.50	2,954,500.00
2045	--	--	--	--	--	855,500.00	625,800.00	1,061,900.00	523,312.50	3,066,512.50
2046	--	--	--	--	--	876,750.00	663,750.00	1,106,100.00	540,200.00	3,186,800.00
2047	--	--	--	--	--	--	1,598,550.00	1,153,200.00	560,250.00	3,312,000.00
2048	--	--	--	--	--	--	1,662,950.00	1,203,050.00	578,200.00	3,444,200.00
2049	--	--	--	--	--	--	--	2,935,500.00	599,050.00	3,534,550.00
2050	--	--	--	--	--	--	--	--	618,218.76	618,218.76
2051	--	--	--	--	--	--	--	--	640,737.50	640,737.50
2052	--	--	--	--	--	--	--	--	666,400.00	666,400.00
Total	<u>\$5,350,000.00</u>	<u>\$15,595,000.00</u>	<u>\$7,120,000.00</u>	<u>\$2,511,039.70</u>	<u>\$9,370,375.08</u>	<u>\$15,325,693.88</u>	<u>\$12,862,825.04</u>	<u>\$22,618,768.88</u>	<u>\$15,573,859.45</u>	<u>\$106,327,562.03</u>

Source: Selma Unified School District.

Lease Refinancing. In August 2001, the District executed and delivered its 2001 Certificates of Participation in the aggregate principal amount of \$6,235,000 (the “2001 Certificates”). In September 2012 the District entered into a \$4,488,379 private placement lease agreement (the “2012 Lease Refinancing”), the proceeds of which were used to prepay the then-outstanding 2001 Certificates. The future lease payments as of June 30, 2023 with respect to the 2012 Lease Refinancing are as shown in the following table. The obligation to make lease payments on the 2012 Lease Refinancing is a general fund obligation.

2012 LEASE REFINANCING – ANNUAL PAYMENTS
As of June 30, 2022
Selma Unified School District

Year Ending (June 30)	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$338,817	\$55,939	\$394,756
2024	352,936	44,984	397,920
2025	366,464	33,582	400,046
2026	379,457	21,751	401,208
2027	<u>395,128</u>	<u>6,322</u>	<u>401,450</u>
Total	<u>\$1,832,802</u>	<u>\$162,578</u>	<u>\$1,995,380</u>

Source: Selma Unified School District.

Qualified Zone Academy Bond. In April 2012, the District entered into a \$13,500,000 private placement lease-purchase agreement with the Public Property Financing Corporation of California, the lease payments under which were designated a “Qualified Zone Academy Bond” pursuant Sections 54A and 54E of Internal Revenue Code of 1986, as amended (the “2012 QZAB”). The District expects to receive an annual cash subsidy payment from the United States Department of the Treasury (the “Subsidy Payment”) equal to 100% of the interest due on the 2012 QZAB. The Subsidy Payments are subject to reduction (the “Sequestration Reduction”) pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the Subsidy Payments by 5.7% through the end of the federal fiscal year ending September 30, 2030. In the absence of action by the U.S. Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect Subsidy Payments currently scheduled for receipt in future federal fiscal years. The remaining 2012 QZAB payments as of June 30, 2022 are as shown in the following table. The obligation to make lease payments on the 2012 QZAB is a general fund obligation.

2012 QZAB – ANNUAL PAYMENTS
As of June 30, 2022
Selma Unified School District

Year Ending (June 30)	<u>Principal</u>	<u>Interest⁽¹⁾</u>	<u>Total</u>
2023	\$964,286	\$314,550	\$1,278,836
2024	964,286	269,614	1,233,900
2025	964,286	224,679	1,188,965
2026	964,286	179,743	1,144,029
2027	964,286	134,807	1,099,093
2028-29	<u>1,928,568</u>	<u>134,807</u>	<u>2,063,375</u>
Total	<u>\$6,749,998</u>	<u>\$1,258,200</u>	<u>\$8,008,198</u>

⁽¹⁾ Reflects gross debt service payments with respect to the 2012 QZAB; does not reflect the anticipated receipt of the QZAB Subsidy Payments.
Source: Selma Unified School District.

Energy Conservation Project. In September 2008, the District entered into a lease agreement with the Municipal Finance Corporation of California in the amount of \$1,916,873 for the purchase and installation of a mechanical retrofit and energy management project (the “Energy Conservation Project”). Future commitments for the Energy Conservation Project as of June 30, 2022 are as shown in the following table. The obligation to make payments in connection with the Energy Conservation Project is a general fund obligation.

ENERGY CONSERVATION PROJECT – ANNUAL PAYMENTS
As of June 30, 2022
Selma Unified School District

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$166,615	\$9,305	\$175,920
2024	<u>86,067</u>	<u>1,892</u>	<u>87,959</u>
Totals	<u>\$252,682</u>	<u>\$11,197</u>	<u>\$263,879</u>

Source: Selma Unified School District.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), generally certain corporations with more than \$1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

The excess of the stated redemption price at maturity of a Bond over the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner’s basis in the applicable Bond.

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

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

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

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

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

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

A copy of the proposed form of opinion of Bond Counsel for the Bonds are attached hereto as APPENDIX A.

LIMITATION ON REMEDIES; BANKRUPTCY

General

State law contains certain safeguards to protect the financial solvency of school districts. See “DISTRICT FINANCIAL INFORMATION – Budget Process” herein. If the safeguards are not successful in preventing a school district from becoming insolvent, 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 United States Bankruptcy Code (the “Bankruptcy Code”) on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing a petition under Chapter 9. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

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, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, 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, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, 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.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* property tax, and such lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the Bonds are executed and delivered. See “THE BONDS – Statutory Lien” herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues

If the *ad valorem* property 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 in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues should not

be subject to the automatic stay. “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. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can 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* property tax revenues collected for the payments of general obligation bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies

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 Treasury Investment Pool, as described in “THE BONDS – Application and Investment of Bond Proceeds” herein and “APPENDIX E – FRESNO COUNTY TREASURY INVESTMENT POOL” attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor’s Rights

The proposed form of the approving opinion of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

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

Bank Qualified

The District will designate the Bonds as “qualified tax-exempt obligations,” thereby allowing certain financial institutions that are holders of such qualified tax-exempt obligations to deduct a portion of such institution’s interest expense allocable to such qualified tax-exempt obligations, all as determined in accordance with Section 265(b)(3) of the Code.

Continuing Disclosure

Current Undertaking. In connection with the issuance of the Bonds, the District has covenanted for the benefit of Bondholders (including 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 nine months following the end of the District’s fiscal year (which currently ends June 30), commencing with the report for the 2022-23 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Reports or the notices of listed events is included in “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Previous Undertakings. Within the past five years the District has failed to file notice of a listed event required in connection with the District’s 2014 General Obligation Refunding Bonds.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The 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 and retire the Bonds.

There are certain lawsuits and claims pending against the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims, if determined adverse to the District, would not materially affect the finances of the District.

Information Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 (“TIPRA”). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date of this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Legal Opinion

The legal opinion of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers of the Bonds without cost. A copy of the proposed form of such legal opinion is attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Ratings

The Insured Bonds have been assigned a rating of “AA” by S&P based upon the issuance of the Policy by BAM. The Bonds have also been assigned an underlying rating of “A+” to the Bonds. The ratings reflect only the views of such organization and any desired explanation of the significance of such ratings should be obtained from therefrom.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Electronic Municipal Market Access website operated by the Municipal Securities Rulemaking Board notices of any rating changes on the Bonds. See “LEGAL MATTERS – Continuing Disclosure” herein and “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change pursuant to the Rule. Purchasers of the Bonds are directed to the rating agency and its website and official media outlets for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

Financial Statements

The District’s audited financial statements with required supplemental information for the year ended June 30, 2022, the independent auditor’s report of the District, the related statements of activities and of cash flows for the year then ended, and the report of Linger, Peterson & Shrum (the “Auditor”), dated December 12, 2022, are included in this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements herein, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Underwriting

Purchase of Bonds. Piper Sandler & Co., as underwriter of the Bonds (the “Underwriter”) has agreed, pursuant to a purchase contract relating to the Bonds (the “Purchase Contract”), by and between the District and the Underwriter, to purchase all of the Bonds. The Underwriter will purchase the Bonds for a purchase price of \$9,245,326.35 (which is equal to the initial principal amount of the Bonds of \$9,000,000.00, plus net original issue premium of \$281,326.35, and less the Underwriter’s discount of \$36,000.00).

The Purchase Contract provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such Purchase Contract, the approval of certain legal matters by bond counsel and certain other

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APPENDIX A

FORM OF OPINION OF BOND COUNSEL

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

July 27, 2023

Board of Trustees
Selma Unified School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$9,000,000 Selma Unified School District Election of 2022 General Obligation Bonds, Series A (Bank Qualified) (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, a 55% vote of the qualified electors of the Selma Unified School District (the “District”) voting at an election held on November 8, 2022, and a resolution adopted by the Board of Trustees of the District on May 9, 2023 (the “Resolution”).

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes by the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.

4. Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds (to the extent the redemption price at

maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond.

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

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

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

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

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

Respectfully submitted,

Stradling Yocca Carlson & Rauth

APPENDIX B

2021-22 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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SELMA UNIFIED SCHOOL DISTRICT

**COUNTY OF FRESNO
SELMA, CALIFORNIA**

**AUDIT REPORT
JUNE 30, 2022**



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Introductory Section

Selma Unified School District
Audit Report
For The Year Ended June 30, 2022

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Selma Unified School District
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Financial Section

Independent Auditor's Report

To the Board of Trustees
Selma Unified School District
Selma, California 93662

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Selma Unified School District ("the District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Selma Unified School District as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and Schedule of Changes in the District's Total OPEB Liability And Related Ratios identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Selma Unified School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations*, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022 on our consideration of Selma Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Selma Unified School District's internal control over financial reporting and compliance.

Respectfully submitted,



Linger, Peterson & Shrum
Fresno, California
December 12, 2022

Management's Discussion and Analysis



SELMA UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
June 30, 2022

INTRODUCTION

Our discussion and analysis of Selma Unified School District's (District) financial performance provides an overview of the District's financial activities for the year ended June 30, 2022. It should be read in conjunction with the District's financial statements, which follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued June 1999; and GASB Statement No. 37, Basic Financial Statement - and Management Discussion and Analysis - for the State and Local Governments: Omnibus, an amendment to GASB Statement No. 21 and No. 34, issued in June 2001.

FINANCIAL HIGHLIGHTS

- Total net position was (\$21,766,515) at June 30, 2022. This was a increase of \$25,839,842 from the prior year.
- The District's overall revenues were \$125,874,594 which was more than expenses of \$100,034,752 by \$25,839,842.
- Long-term debt was \$126,411,836 at June 30, 2022.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- Fund financial statements focus on reporting the individual parts of the District operations in more detail. The fund financial statements comprise the remaining statements.
 - Governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide 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. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements.

Government-Wide Statements

The government-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 government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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 government-wide statements report the District's net position and how they have changed. Net position, assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities.

The government-wide financial statements of the District include government activities. Most of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local Control Funding Formula (LCFF) and Federal and State grants 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 that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by State law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for 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 government-wide statements, we provide additional information in the reconciliations following each governmental funds statement that explains the relationship (or differences) between them.
- *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others; for the District, the student body activities fund is an agency fund. The District is responsible for ensuring that 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 the assets to finance its operations.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position was (\$21,766,515) at June 30, 2022. See Table 1.

Table 1:
Net Position

	Governmental Activities		Percentage
	2022	2021	Change
ASSETS:			
Cash	\$ 51,755,317	\$ 47,961,088	7.91%
Accounts receivable	10,904,024	15,717,687	-30.63%
Stores inventories	405,587	374,355	8.34%
Unamortized issuance costs	99,074	99,074	0.00%
Net investment in capital assets	70,253,705	69,071,498	1.71%
TOTAL ASSETS	<u>\$ 133,417,707</u>	<u>\$ 133,223,702</u>	0.15%
Deferred Outflows of Resources:			
Deferred outflows	<u>\$ 23,115,904</u>	<u>\$ 20,509,730</u>	12.71%
LIABILITIES			
Accounts payable	\$ 10,405,188	\$ 15,476,901	-32.77%
Unearned revenue	1,918,302	1,181,079	62.42%
Long-term liabilities	126,411,836	182,577,921	
TOTAL LIABILITIES	<u>\$ 138,735,326</u>	<u>\$ 199,235,901</u>	-30.37%
Deferred Inflows of Resources:			
Deferred inflows	<u>\$ 39,564,800</u>	<u>\$ 2,103,888</u>	1780.56%
NET POSITION			
Net investment in capital assets	\$ 8,672,592	\$ 5,291,132	63.91%
Restricted	29,669,453	27,207,067	9.05%
Unrestricted	(60,108,560)	(80,104,556)	-24.96%
TOTAL NET POSITION	<u>\$ (21,766,515)</u>	<u>\$ (47,606,357)</u>	-54.28%

Changes in Net Position

The District's total revenues were \$125,874,594. A majority of the revenue comes from General Revenues, which is made up of LCFF and property taxes (66.0%). Federal and State aid for specific programs accounted for another 1.0% of total revenues. Local revenues account for 0.9% of the total revenues. The remaining was received through program revenues made up of charges for services, and operating grants and contributions.

The total cost of all programs and services was \$100,034,752. The District's expenses are predominately related to educating and caring for students (69.1%). Administrative activities accounted for just 10.7% of total costs. The remaining expenses were for plant services (maintenance and operations), ancillary services, other outgo and interest on long-term obligations.

Table 2:
Changes in Net Position

	Governmental Activities		Percentage
	2022	2021	Change
Revenues			
Program revenues			
Charges for services	\$ 1,415,039	\$ 747,579	89.28%
Operating grants and contributions	39,003,535	35,039,518	11.31%
General revenue			
LCFF sources	83,032,473	62,550,098	32.75%
State revenue	1,286,429	9,570,522	-86.56%
Local revenue	1,137,118	6,432,795	-82.32%
TOTAL REVENUES	125,874,594	114,340,512	10.09%
Program Expenses:			
Program expenses			
Instruction	48,651,962	68,226,369	-28.69%
Instruction-related services	8,986,188	10,930,642	-17.79%
Pupil services	11,494,197	12,238,760	-6.08%
Ancillary Services	1,946,589	962,272	102.29%
General administration	10,668,786	4,602,824	131.79%
Plant services	14,315,365	11,539,492	24.06%
Other outgo	1,556,432	858,410	81.32%
Interest on long-term obligations	2,415,233	3,459,016	-30.18%
TOTAL EXPENSES	100,034,752	112,817,785	-11.33%
Changes in Net Position	\$ 25,839,842	\$ 1,522,727	1596.95%

Governmental Activities

The cost of all governmental activities this year was \$100,034,752.

Table 3 presents the cost of each of the District's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

Table 3:
Net Cost of Governmental Activities

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction	\$ 48,651,962	\$ 28,817,623	\$ 68,226,369	\$ 46,751,591
Instruction-related services	8,986,188	5,389,190	10,930,642	7,488,265
Pupil services	11,494,197	3,876,263	12,238,760	6,342,475
Administration	10,668,786	703,969	4,602,824	2,876,047
Plant services	14,315,365	6,812,961	11,539,492	8,624,398
Ancillary services	1,946,589	10,044,507	962,272	630,486
Interest on long-term debt	2,415,233	1,556,432	3,459,016	3,459,016
Other outgo	1,556,432	2,415,233	858,410	858,410
Total Expenses	<u>\$ 100,034,752</u>	<u>\$ 59,616,178</u>	<u>\$ 112,817,785</u>	<u>\$ 77,030,688</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its government funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$51,366,402 compared to last year's ending fund balance of \$40,033,554.

General Fund Budgetary Highlights

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. A schedule of the District's original and final budget amounts compared with actual revenues and expenditures is provided in the supplemental section of the audited financial report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the District had invested \$70,253,705 in a broad range of capital assets, including land, land improvements, buildings and equipment. See Table 4. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Table 4:
Capital Assets

	Governmental Activities		Total Percentage
	2022	2021	Change
Land	\$ 1,843,632	\$ 1,843,632	0.00%
Land improvement	13,992	722	1837.95%
Buildings	118,330,593	117,392,716	0.80%
Equipment	5,636,966	5,738,694	-1.77%
Work-in-progress	5,005,922	865,021	478.71%
Totals at Historical Cost	130,831,105	125,840,785	3.97%
Total Accumulated Depreciation	60,577,400	56,769,287	6.71%
NET CAPITAL ASSETS	\$ 70,253,705	\$ 69,071,498	1.71%

Long-Term Debt

At year-end, the District had \$126,411,836 in debt as shown in Table 5. More detailed information about the District's debt is presented in the notes to the financial statements.

Table 5:
Long-Term Debt

	Governmental Activities		Total Percentage
	2022	2021	Change
Net pension liability	\$ 43,849,221	\$ 90,639,805	-51.62%
Note payable	252,682	412,200	-38.70%
General obligation bonds	46,864,208	47,996,126	-2.36%
Qualified zone bonds	6,749,998	7,714,284	-12.50%
Accreted interest on general obligation bonds	5,522,148	5,116,176	7.94%
Certificates of participation	1,832,802	2,161,768	-15.22%
Postemployment health benefits	20,693,755	19,675,681	5.17%
Early retirement incentives	353,478	528,208	-33.08%
Compensated absences	293,544	333,673	-12.03%
Other	-	8,000,000	-100.00%
TOTAL LONG-TERM DEBT	\$ 126,411,836	\$ 182,577,921	-30.76%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

1. The District's students continue to improve but less than half are meeting standards as measured by the statewide test. The school staff continues to focus on providing training to our teaching staff and looking for opportunities to meet in grade-level teams.
2. On November 8, 2016, the voters of the District approved a maximum of \$30.8 million in bonds to provide financing to modernize and construct additional classrooms and support facilities, replace portable classrooms with new permanent facilities, increase student access to computers and modern classroom technology, improve security and student safety, provide the local match for State grants, and reduce operating costs. The District sold \$10.1 million of the authorized bonds in January 2017 to begin upgrading the existing facilities and/or build new facilities in accordance with the bond measure.
3. In March 2020, the World Health Organization declared COVID-19 a global pandemic. This outbreak has continued to spread, and any related adverse public health developments have affected School Districts and Governments globally, potentially leading to an economic downturn. It has also disrupted the normal operations of the School District, forcing closures and changes needed to operate. It is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the School District or the results of operations at this time.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, 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 questions about this report, or need additional financial information, contact the Director of Business Services, Christine Ortega, at (559) 898-6500.

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Basic Financial Statements

SELMA UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS:	
Cash in County Treasury	\$ 51,054,417
Cash on Hand and in Banks	695,900
Cash in Revolving Fund	5,000
Accounts Receivable	10,904,024
Stores Inventories	405,587
Unamortized Issuance Costs	99,074
Capital Assets:	
Land	1,843,632
Land Improvements, Net	13,443
Buildings, Net	62,866,231
Equipment, Net	524,477
Work in Progress	5,005,922
Total Assets	<u>133,417,707</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows of Resources - Pensions	18,314,627
Deferred Outflows of Resources - OPEB	4,801,277
Total Deferred Outflows of Resources	<u>23,115,904</u>
LIABILITIES:	
Accounts Payable	10,405,188
Unearned Revenue	1,918,302
Noncurrent Liabilities:	
Net Pension Liability	43,849,221
Other Postemployment Benefit Obligation	20,693,755
Due within one year	3,009,575
Due in more than one year	58,859,285
Total Liabilities	<u>138,735,326</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows of Resources - Pensions	36,600,854
Deferred Inflows of Resources - OPEB	2,963,946
Total Deferred Inflows of Resources	<u>39,564,800</u>
NET POSITION:	
Net Investment in Capital Assets	8,672,592
Restricted For:	
Debt Service	2,787,429
Capital Projects	18,179,205
Other Purposes	8,702,819
Unrestricted	(60,108,560)
Total Net Position	<u>\$ (21,766,515)</u>

The accompanying notes are an integral part of this statement.

SELMA UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
PRIMARY GOVERNMENT:				
Governmental Activities:				
Instruction	\$ 48,651,962	\$ 183,752	\$ 19,650,587	\$ (28,817,623)
Instruction-Related Services	8,986,188	30,784	3,566,214	(5,389,190)
Pupil Services	11,494,197	140,163	7,477,771	(3,876,263)
Ancillary Services	1,946,589	941,823	300,797	(703,969)
General Administration	10,668,786	57,016	3,798,809	(6,812,961)
Plant Services	14,315,365	61,501	4,209,357	(10,044,507)
Other Outgo	1,556,432	-	-	(1,556,432)
Interest on Long-Term Obligations	2,415,233	-	-	(2,415,233)
Total Governmental Activities	<u>100,034,752</u>	<u>1,415,039</u>	<u>39,003,535</u>	<u>(59,616,178)</u>
Total Primary Government	<u>\$ 100,034,752</u>	<u>\$ 1,415,039</u>	<u>\$ 39,003,535</u>	<u>(59,616,178)</u>
General Revenues:				
LCFF Sources				83,032,473
State Revenues				1,286,429
Local Revenues				1,137,118
Total General Revenues				<u>85,456,020</u>
Change in Net Position				25,839,842
Net Position - Beginning				(47,166,258)
Prior Period Adjustment				(440,099)
Net Position - Ending				<u>\$ (21,766,515)</u>

The accompanying notes are an integral part of this statement.

SELMA UNIFIED SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2022

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash in County Treasury	\$ 27,059,705	\$ 17,620,742	\$ 6,373,970	\$ 51,054,417
Cash on Hand and in Banks	-	-	695,900	695,900
Cash in Revolving Fund	5,000	-	-	5,000
Accounts Receivable	8,712,185	-	2,191,839	10,904,024
Due from Other Funds	634,161	386,852	15,760	1,036,773
Stores Inventories	345,889	-	59,698	405,587
Total Assets	<u>36,756,940</u>	<u>18,007,594</u>	<u>9,337,167</u>	<u>64,101,701</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	\$ 8,721,371	\$ 500,284	\$ 558,569	\$ 9,780,224
Due to Other Funds	352,039	20,616	664,118	1,036,773
Unearned Revenue	1,918,302	-	-	1,918,302
Total Liabilities	<u>10,991,712</u>	<u>520,900</u>	<u>1,222,687</u>	<u>12,735,299</u>
Fund Balance:				
Nonspendable Fund Balances:				
Revolving Cash	5,000	-	-	5,000
Stores Inventories	345,889	-	59,698	405,587
Restricted Fund Balances	6,561,238	17,486,694	5,621,521	29,669,453
Assigned Fund Balances	40,773	-	2,433,261	2,474,034
Unassigned:				
Other Unassigned	18,812,328	-	-	18,812,328
Total Fund Balance	<u>25,765,228</u>	<u>17,486,694</u>	<u>8,114,480</u>	<u>51,366,402</u>
Total Liabilities and Fund Balances	<u>\$ 36,756,940</u>	<u>\$ 18,007,594</u>	<u>\$ 9,337,167</u>	<u>\$ 64,101,701</u>

The accompanying notes are an integral part of this statement.

SELMA UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET, GOVERNMENTAL FUNDS,
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balances - Balance Sheet, Governmental Funds	\$ 51,366,402
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital assets	130,831,105
Accumulated depreciation/amortization	(60,577,400)
Certain debt issue costs are recognized in the funds as expenditures in the period the debt was incurred, whereas in the government-wide statements, they are amortized over the life of the debt:	
Unamortized prepaid insurance related to debt	99,074
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(624,964)
General obligation bonds payable	(46,864,208)
Accreted interest	(5,522,148)
Qualified Zone Academic bonds payable	(6,749,998)
Other post-employment benefits payable (OPEB)	(20,693,755)
Net pension liability	(43,849,221)
Compensated absences payable	(293,544)
Certificates of participation payable	(1,832,802)
Early Retirement Incentives-PARS	(353,478)
Note payable	(252,682)
Deferred outflows and inflows of resources are not reported in the funds because they are applicable to future periods:	
Deferred outflows of resources related to pensions	18,314,627
Deferred inflows of resources related to pensions	(36,600,854)
Deferred outflows of resources related to OPEB	4,801,277
Deferred inflows of resources related to OPEB	(2,963,946)
Total Fund Balance of Governmental Activities - Statement of Net Position	\$ <u>(21,766,515)</u>

The accompanying notes are an integral part of this statement.

SELMA UNIFIED SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 48,929,858	\$ -	\$ -	\$ 48,929,858
Education Protection Account Funds	27,148,111	-	-	27,148,111
Local Sources	6,954,504	-	-	6,954,504
Federal Revenue	17,193,679	-	4,837,628	22,031,307
Other State Revenue	13,487,874	-	874,130	14,362,004
Other Local Revenue	2,766,064	180,066	3,824,650	6,770,780
Total Revenues	<u>116,480,090</u>	<u>180,066</u>	<u>9,536,408</u>	<u>126,196,564</u>
Expenditures:				
Current:				
Instruction	55,611,632	-	396,450	56,008,082
Instruction - Related Services	9,827,229	-	283,322	10,110,551
Pupil Services	7,783,603	-	4,744,715	12,528,318
Ancillary Services	896,715	-	1,056,593	1,953,308
General Administration	10,749,938	-	154,595	10,904,533
Plant Services	8,466,684	139,293	-	8,605,977
Other Outgo	1,556,432	-	-	1,556,432
Capital Outlay	5,275,580	3,018,243	120,573	8,414,396
Debt Service:				
Principal	1,627,500	-	1,131,918	2,759,418
Interest	344,173	-	1,678,528	2,022,701
Total Expenditures	<u>102,139,486</u>	<u>3,157,536</u>	<u>9,566,694</u>	<u>114,863,716</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,340,604</u>	<u>(2,977,470)</u>	<u>(30,286)</u>	<u>11,332,848</u>
Other Financing Sources (Uses):				
Transfers In	-	-	1,910,999	1,910,999
Transfers Out	(1,772,337)	-	(138,662)	(1,910,999)
Total Other Financing Sources (Uses)	<u>(1,772,337)</u>	<u>-</u>	<u>1,772,337</u>	<u>-</u>
Net Change in Fund Balance	12,568,267	(2,977,470)	1,742,051	11,332,848
Fund Balance, July 1	13,196,961	20,464,164	6,812,528	40,473,653
Prior Period Adjustment	-	-	(440,099)	(440,099)
Fund Balance, June 30	<u>\$ 25,765,228</u>	<u>\$ 17,486,694</u>	<u>\$ 8,114,480</u>	<u>\$ 51,366,402</u>

The accompanying notes are an integral part of this statement.

SELMA UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 11,332,848
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Expenditures for capital outlay	5,092,048
Depreciation expense	(3,845,197)
In the funds, the entire proceeds from disposal of capital of assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss was:	
	(64,644)
Governmental funds report repayments of long-term debt as expenditures. In the Government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:	
	2,759,418
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:	
Change in accrued interest payable and accreted interest	(392,532)
Compensated absences	40,129
Other post-employment benefits cost in excess of contributions	(2,837,371)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was:	
	13,755,143
Change in Net Position of Governmental Activities - Statement of Activities	\$ <u>25,839,842</u>

The accompanying notes are an integral part of this statement.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

A. Summary of Significant Accounting Policies

Selma Unified School District (District) accounts for its financial transactions in accordance with the policies and procedures of the 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 (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the District to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the District, its component units or its constituents; and 2) The District or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the District.

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government. 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. The District does not allocate indirect expenses in the statement of activities. 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.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. 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.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund. The General Fund, reported in these financial statements, includes three Funds maintained by the District: The General Fund (Fund 01), the Special Reserve Fund for Other Than Capital Outlay (Fund 17) and the Special Reserve Fund for Postemployment Benefits (Fund 20). Although Fund 17 and Fund 20 are separate funds authorized in the Education Code, they do not meet the definition of Special Revenue Funds under accounting principles generally accepted in the United States of America and have therefore been combined into the General Fund for financial reporting purposes. The beginning fund balances have also been combined.

Building Fund. This fund is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

The District reports the following nonmajor governmental funds:

Student Body Fund is used to account for revenues received and expenditures made related to student activity funds.

Adult Education Fund. This fund is used to account for resources committed to adult education programs maintained by the District.

Cafeteria Fund. This fund is used to account for revenues received and expenditures made to operate the District's cafeterias.

Capital Facilities Fund. This fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

County School Facilities Fund. This fund is used to account for the accumulation and expenditure of funds for projects funded under the Leroy F. Greene School Facilities Act of 1998, as established by the Board in accordance with Education Code 42840 et seq.

Special Reserve (Capital Projects) Fund is used to account for the accumulation and expenditure of funds for capital outlay purposes, as established by the Board in accordance with Education Code 42840 et seq.

Bond Interest and Redemption Fund. This fund is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of bonds issued by the District.

b. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. 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.

4. Assets, Liabilities, and Equity

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

In accordance with Education Code Section 41001, the District maintains substantially all its cash in the Fresno County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with Fresno County Treasury was not available.

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets. Inventories of the General Fund are immaterial and have been omitted from these statements.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure when incurred.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. 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. A capitalization threshold of \$5,000 is used.

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

<u>Asset Class</u>	<u>Examples</u>	<u>Estimated Useful Life in Years</u>
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School buildings		50
Portable classrooms		25
HVAC systems	Heating, ventilation AC systems	20
Roofing		20
Interior construction		25
Carpet replacement		7
Electrical/plumbing		30
Sprinkler/fire system	Fire suppression systems	25
Outdoor equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and tools	Shop, maintenance equipment, tools	15
Kitchen equipment	Appliances	15
Custodial equipment	Floor scrubbers, vacuums, other	15
Science and engineering	Lab equipment, scientific apparatus	10
Furniture and accessories	Classroom and other furniture	20
Business machines	Fax, duplicating and printing equipment	10
Copiers		5
Communication equipment	Mobile, portable radios, non-computerized	10
Computer hardware	PC's, printers, network hardware	5
Computer software	Instructional, other short-term	5 to 10
Computer software	Administrative or long-term	10 to 20
Audio visual equipment	Projectors, cameras (still and digital)	10
Athletic equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical instruments	Pianos, strings, brass, percussion	10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	8
Contractors equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressors	10
Grounds equipment	Mowers, tractors, attachments	15

d. Receivable and Payable Balances

There are no significant receivables which are not scheduled for collection within one year of year end.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

e. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund at year end.

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

f. 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 balance sheet and revenue is recognized.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the Government-wide Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects the taxes for the District.

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the Program's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Program itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose 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.

5. Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

6. GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) and Fund 20 (Special Reserve Fund for Postemployment Benefits) are merged with the General Fund for purposes of presentation in the audit report, as applicable.

7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan) and additions to/deductions from the CalPERS Plan and CalSTRS Plan's fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD) (STRS)	June 30, 2021
Valuation Date (VD) (PERS)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

8. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

9. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

- Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs: Unobservable inputs for an asset or liability.

For the current fiscal year the District did not have any recurring or nonrecurring fair value measurements.

10. Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. The applicable provisions of the new standard are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB 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 established 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.

B. Excess of Expenditures Over Appropriations

As of June 30, 2022, expenditures exceeded appropriations in individual funds as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund:	
Other Outgo	\$ 397,716
Debt Service	186,970

General Fund: The District incurred unanticipated expenditures for other outgo and debt service payments.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

C. Cash and Investments

1. Cash in County Treasury:

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Fresno County Treasury as part of the common investment pool (\$4,333,102,675 as of June 30, 2022). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$51,054,417. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

2. Cash on Hand, in Banks, and in Revolving Fund

Cash balances on hand and in banks (\$695,900 as of June 30, 2022) and in the revolving fund (\$5,000) are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

3. Investments:

The District's investments at June 30, 2022 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Cash in County Treasury	Less than 12 months	\$ 51,054,417
Cash on Hand and in Banks	Less than 12 months	695,900
Cash in Revolving Fund	Less than 12 months	5,000
Total Investments		<u>\$ 51,755,317</u>

4. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to significant credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to significant custodial credit risk.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to significant concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant foreign currency risk.

5. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported in conformity with GASB Statement No. 77 unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Accounts Receivable

Accounts receivable at June 30, 2022 consisted of the following:

	General Fund	All Other Government Funds	Total Governmental Funds
Federal programs	\$ 3,556,596	\$ 1,240,754	\$ 4,797,350
State categorical aid programs	(4,110,635)	137,845	(3,972,790)
Interest	(4,520)	-	(4,520)
Other local receivables	9,270,744	813,240	10,083,984
Total	<u>\$ 8,712,185</u>	<u>\$ 2,191,839</u>	<u>\$ 10,904,024</u>

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

E. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,843,632	\$ -	\$ -	\$ 1,843,632
Work in progress	865,021	4,140,901	-	5,005,922
Total capital assets not being depreciated	<u>2,708,653</u>	<u>4,140,901</u>	<u>-</u>	<u>6,849,554</u>
Capital assets being depreciated:				
Buildings	117,392,716	937,877	-	118,330,593
Improvements	722	13,270	-	13,992
Equipment	5,738,694	-	(101,728)	5,636,966
Total capital assets being depreciated	<u>123,132,132</u>	<u>951,147</u>	<u>(101,728)</u>	<u>123,981,551</u>
Less accumulated depreciation for:				
Buildings	51,746,308	3,718,054	-	55,464,362
Improvements	-	549	-	549
Equipment	5,022,979	126,594	(37,084)	5,112,489
Total accumulated depreciation	<u>56,769,287</u>	<u>3,845,197</u>	<u>(37,084)</u>	<u>60,577,400</u>
Total capital assets being depreciated, net	<u>66,362,845</u>	<u>(2,894,050)</u>	<u>(64,644)</u>	<u>63,404,151</u>
Governmental activities capital assets, net	<u>\$ 69,071,498</u>	<u>\$ 1,246,851</u>	<u>\$ (64,644)</u>	<u>\$ 70,253,705</u>

Depreciation was charged to functions as follows:

Instruction	\$ 81,936
Instruction-Related Services	12,891
Pupil Services	92,387
Ancillary Services	6,035
General Administration	21,283
Plant Services	3,630,665
Total	<u>\$ 3,845,197</u>

F. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2022, consisted of the following:

Due To Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 634,161	\$ 349,759
Adult Education Fund	1,342	40,670
Cafeteria Special Revenue Fund	11,729	622,558
Special Revenue Fund for Other Than Capital Outlay Projects	-	2,280
Building Fund	386,852	20,616
Capital Facilities Fund	-	481
County Schools Facilities Fund	-	409
Special Reserve Fund for Capital Outlay Projects	2,689	-
Total	<u>\$ 1,036,773</u>	<u>\$ 1,036,773</u>

All amounts due are scheduled to be repaid within one year.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2022, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	Special Revenue Fund for Capital Outlay Projects	\$ 1,000,000	For future capital outlay expenditures
Special Revenue Fund for Capital Outlay Projects	Special Revenue Fund for Capital Outlay Projects	772,337	For future capital outlay expenditures
County Schools Facilities Fund	Special Revenue Fund for Capital Outlay Projects	138,662	For future capital outlay expenditures
	Total	<u>\$ 1,910,999</u>	

G. Accounts Payable

Accounts payable at June 30, 2022 consisted of the following:

	General Fund	Building Fund	All Other Government Funds	Total Governmental Funds
Vendor payables	\$ 6,198,190	\$ 500,284	\$ 165,461	\$ 6,863,935
Salaries and benefits	2,523,181	-	393,108	2,916,289
Total	<u>\$ 8,721,371</u>	<u>\$ 500,284</u>	<u>\$ 558,569</u>	<u>\$ 9,780,224</u>

H. Unearned Revenue

The District has received revenues for programs as advances, or before program expenditures were incurred. Such revenues are reported in these statements as "unearned," and will be recognized in subsequent periods as program expenditures are made.

Unearned revenue at June 30, 2022 consisted of the following:

In-Person Instruction (IPI) Grant	\$ 1,216,590
K- 12 Strong Workforce Program	62,539
Career Technical Education Incentive Grant (CTEIG) Program	20,193
Governor's Career Technical Education Initiative (CTEI): California Partnership Academies (CPA)	2,500
Universal Prekinder (UPK) Planning & Implementation Grant Program	186,620
ESEA (ESSA) : Title III, Immigrant Student Program	3,713
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	81,464
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	47,805
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	177,956
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	76,303
ESEA: ESSA School Improvement (CSI) Funding for LEAs	42,277
ESEA (ESSA): Title I, Part C, Migrant Education (MESRP)	342
Total	<u>\$ 1,918,302</u>

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

I. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2022, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 47,996,126	\$ -	\$ 1,131,918	\$ 46,864,208	\$ 1,162,296
Accreted interest	5,116,176	604,054	198,082	5,522,148	202,831
Qualified zone academy bonds	7,714,284	-	964,286	6,749,998	964,286
Other post-employment benefits payable	19,675,681	1,018,074	-	20,693,755	-
Net pension liability	90,639,805	-	46,790,584	43,849,221	-
Certificates of participation	2,161,768	-	328,966	1,832,802	338,817
Note payable	8,412,200	-	8,159,518	252,682	166,615
Compensated absences	333,673	-	40,129	293,544	-
Early retirement incentives - PARS	528,208	-	174,730	353,478	174,730
Total governmental activities	\$ 182,577,921	\$ 1,622,128	\$ 57,788,213	\$ 126,411,836	\$ 3,009,575

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
General obligation bonds	Governmental	Bond Interest and Redemption
Accreted interest	Governmental	Bond Interest and Redemption
Qualified zone academy bonds	Governmental	Bond Interest and Redemption
Other post-employment benefits payable	Governmental	General
Net pension liability	Governmental	General
Certificates of participation	Governmental	General
Note payable	Governmental	General
Compensated absences	Governmental	General
Early retirement incentives - PARS	Governmental	General

2. General Obligation Bonds and Accreted Interest

The outstanding general obligation bond debt of the District at June 30, 2022, is as follows:

Bond	Issue Date	Maturity Date	Interest Rate %
2006, Series 2007 B	11/20/07	8/1/20	4.000-5.000
2006, Series 2009 C	9/29/09	8/1/39	4.910-7.370
2014 Refunding bonds	12/18/14	8/1/31	4.360-10.188
2016, Series 2017 A	2/1/17	2/1/42	1.750-5.000
2016, Series 2019 B	1/16/19	8/1/48	3.000-3.375
2006, Series 2020 D	2/13/20	8/1/43	2.150-2.950
2016, Series 2020 C	2/13/20	8/1/49	3.000-4.000
2006, Series 2020 E	8/25/20	8/1/43	2.11-2.81

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Bond	Original Issue	Bonds Outstanding July 1, 2021	Issued During Year	Redeemed During Year	Bonds Outstanding June 30, 2022
2006, Series 2007 B	\$ 3,772,061	\$ 1,947,061	\$ -	\$ 180,099	\$ 1,766,962
2006, Series 2009 C	3,000,008	2,836,603	-	31,819	2,804,784
2014 Refunding bonds	10,460,000	8,775,000	-	480,000	8,295,000
2016, Series 2017 A	10,100,000	8,680,000	-	40,000	8,640,000
2016, Series 2019 B	7,000,000	6,530,000	-	400,000	6,130,000
2006, Series 2020 D	4,045,274	4,045,274	-	-	4,045,274
2016, Series 2020 C	13,700,000	13,700,000	-	-	13,700,000
2006, Series 2020 E	1,482,188	1,482,188	-	-	1,482,188
	<u>\$ 53,559,531</u>	<u>\$ 47,996,126</u>	<u>\$ -</u>	<u>\$ 1,131,918</u>	<u>\$ 46,864,208</u>

The annual requirements to amortize general obligation bonds, payable and outstanding, and accreted interest as of June 30, 2022 are as follows:

General Obligation Bonds			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,162,296	\$ 1,675,349	\$ 2,837,645
2024	932,910	1,659,534	2,592,444
2025	960,019	1,633,726	2,593,745
2026	1,042,723	1,620,371	2,663,094
2027	1,157,185	1,586,886	2,744,071
2028-2032	7,695,489	7,522,607	15,218,096
2033-2037	5,064,599	14,088,701	19,153,300
2038-2042	10,074,657	12,065,639	22,140,296
2043-2047	10,814,330	3,782,102	14,596,432
2048-2050	7,960,000	519,147	8,479,147
Totals	<u>\$ 46,864,208</u>	<u>\$ 46,154,062</u>	<u>\$ 93,018,270</u>

Year Ending June 30,	Accreted Interest
2023	\$ 202,831
2024	197,273
2025	182,788
2026	183,599
2027	175,772
2028-2032	781,310
2033-2037	2,632,674
2038-2042	1,165,901
Totals	<u>\$ 5,522,148</u>

3. Qualified Zone Academy Bonds

The outstanding qualified zone academy bond debt of the District at June 30, 2022, is as follows:

Bond	Issue Date	Maturity Date	Interest Rate %
Qualified zone academy bond	4/26/12	4/26/29	4.66

Bond	Original Issue	Bonds Outstanding July 1, 2021	Issued During Year	Redeemed During Year	Bonds Outstanding June 30, 2022
Qualified zone academy bond	\$ 13,500,000	\$ 7,714,284	\$ -	\$ 964,286	\$ 6,749,998

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The annual requirements to amortize qualified zone academy bonds, payable and outstanding, and interest as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 964,286	\$ 314,550	\$ 1,278,836
2024	964,286	269,614	1,233,900
2025	964,286	224,679	1,188,965
2026	964,286	179,743	1,144,029
2027	964,286	134,807	1,099,093
2028-2029	1,928,568	134,807	2,063,375
Totals	<u>\$ 6,749,998</u>	<u>\$ 1,258,200</u>	<u>\$ 8,008,198</u>

4. Certificates of Participation

Future commitments for certificates of participation as of June 30, 2022 are as follows:

Certificate of Participation	Issue Date	Maturity Date	Interest Rate %
2012 Refunding	9/1/12	8/1/26	3.200

Certificate of Participation	Original Issue	COP Outstanding July 1, 2021	Issued During Year	Redeemed During Year	COP Outstanding June 30, 2022
2012 Refunding	\$ 4,488,379	\$ 2,161,768	\$ -	\$ 318,760	\$ 1,832,802

Year Ending June 30,	Principal	Interest	Total
2023	\$ 338,817	\$ 55,939	\$ 394,756
2024	352,936	44,984	397,920
2025	366,464	33,582	400,046
2026	379,457	21,751	401,208
2027	395,128	6,322	401,450
Total	<u>\$ 1,832,802</u>	<u>\$ 162,578</u>	<u>\$ 1,995,380</u>

5. Note Payable

In September 2008, the District entered into a \$1,916,873 agreement with the Municipal Finance Corporation of California for the purchase and installation of a mechanical retrofit and energy management project at various schools sites of the District. The contract is to be repaid over a period of 15 years, at 4.4% interest. The assets acquired with this agreement are in Buildings at June 30, 2016.

Future commitments for the Energy Conservation Project as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 166,615	\$ 9,305	\$ 175,920
2024	86,067	1,892	87,959
Totals	<u>\$ 252,682</u>	<u>\$ 11,197</u>	<u>\$ 263,879</u>

6. Early Retirement Incentives - PARS

The Board has adopted an early retirement incentive program through the PARS Supplementary Retirement Plan. The District has entered into contracts with certain eligible employees who will receive supplementary retirement benefits.

SELMA UNIFIED SCHOOL DISTRICT
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The annual requirements to amortize early retirement incentives - PARS as of June 30, 2022 will mature as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 174,730	\$ 12,241	\$ 186,971
2024	155,060	11,159	166,219
2025	23,688	1,303	24,991
Totals	<u>\$ 353,478</u>	<u>\$ 24,703</u>	<u>\$ 378,181</u>

J. Compensated Absences

Compensated absences at June 30, 2022 consisted of:

	Compensated Absences	Benefits	Totals
Classified	\$ 66,005	\$ 18,165	\$ 84,170
Certificated	156,823	52,551	209,374
Total	<u>\$ 222,828</u>	<u>\$ 70,716</u>	<u>\$ 293,544</u>

All amounts are due after one year.

K. Pension

1. General Information About the Pension Plans

a. Plan Descriptions

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). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

b. Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

SELMA UNIFIED SCHOOL DISTRICT
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The Plans' provisions and benefits in effect at June 30, 2022 are summarized as follows:

	CalSTRS	
	Before <u>Jan. 1, 2013</u>	On or After <u>Jan. 1, 2013</u>
Hire Date		
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55-60	55-62
Monthly benefits, as a % of eligible compensation	1.4-2.4%	1.16-2.4%**
Required Employee Contribution Rates (at June 30, 2022)	10.25%	10.21%
Required Employer Contribution Rates (at June 30, 2022)	16.920%	16.920%
Required State Contribution Rates (at June 30, 2022)	10.828%	10.828%

*Amounts are limited to 120% of Social Security Wage Base.

**The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

	CalPERS	
	Before <u>Jan. 1, 2013</u>	On or After <u>Jan. 1, 2013</u>
Hire Date		
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.5%	1.0-2.5%
Required Employee Contribution Rates (at June 30, 2022)	7.00%	7.00%
Required Employer Contribution Rates (at June 30, 2022)	22.91%	22.91%

*Amounts are limited to 120% of Social Security Wage Base.

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2022 (measurement date June 30, 2021), California Education Code Section 22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 16.92% of creditable compensation for the fiscal year ended June 30, 2022. Beginning in the fiscal year June 30, 2022 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation. For 2021-22, the employer rate reflects a 2.18% reduction from the rate that was originally required in the funding plan.

SELMA UNIFIED SCHOOL DISTRICT
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CalPERS

California Public Employees' Retirement Law section 20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2022 (measurement date June 30, 2021) the employee contribution rate was 7.00% and the employer contribution rate was 22.910% of covered payroll. For 2021-22, the employer rate reflects a 2.16% reduction from the rate originally adopted by the board on April 20, 2021, due to an amendment of Government Code 20825.2 (c).

On Behalf Payments

Consistent with California Education Code Section 22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2022 (measurement date June 30, 2021) the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

Year Ended June 30,	CalSTRS	
	On Behalf Contribution Rate	On Behalf Contribution Amount
2020	10.328%	3,371,177
2021	10.328%	3,747,084
2022	10.828%	3,838,098

The State contributed an additional \$1.1 Billion to CalSTRS during the 2019-20 fiscal year and \$297 Million to CalSTRS during the 2020-21 fiscal year as a continuing settlement associated with SB90.

d. Contributions Recognized

For the fiscal year ended June 30, 2022 (measurement period June 30, 2021), the contributions recognized for each plan were:

	Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 6,383,106	\$ 2,829,402	\$ 9,212,508
Contributions - State On Behalf Payments	3,838,098	-	3,838,098
Total Contributions	<u>\$ 10,221,204</u>	<u>\$ 2,829,402</u>	<u>\$ 13,050,606</u>

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022 (measured June 30, 2021), the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	\$ 27,158,719
CalPERS	16,690,502
Total Net Pension Liability	<u>\$ 43,849,221</u>

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 (STRS) and June 30, 2020 (PERS) rolled forward to measurement date June 30, 2021 using standard update procedures. 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 plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2021 and June 30, 2022 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Proportion June 30, 2021	0.0663%	0.0342%	0.1004%	0.0861%
Proportion June 30, 2022	0.0597%	0.0300%	0.0897%	0.0821%
Change in Proportion	-0.0066%	-0.0041%	-0.0107%	-0.0040%

*Represents State's Proportionate Share on Behalf of District employees

a. Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	\$ (37,070,628)	\$ (9,719,956)	\$ (46,790,584)
On Behalf Contribution Amount	3,838,098	-	3,838,098
Employer Contributions to Pension Plan	6,383,106	2,829,402	9,212,508
Change in Other Outflows/Inflows of Resources	26,350,242	6,685,199	33,035,441
Total Pension Expense	<u>\$ (499,182)</u>	<u>\$ (205,355)</u>	<u>\$ (704,537)</u>

b. Deferred Outflows and Inflows of Resources

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	\$ 10,221,204	\$ 2,829,402	\$ 13,050,606
Differences between actual and expected experience	68,034	498,254	566,288
Changes in assumptions	3,848,102	-	3,848,102
Net difference between projected and actual earnings	-	849,631	849,631
Total Deferred Outflows of Resources	<u>\$ 14,137,340</u>	<u>\$ 4,177,287</u>	<u>\$ 18,314,627</u>

SELMA UNIFIED SCHOOL DISTRICT
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	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	\$ (2,890,254)	\$ (39,346)	\$ (2,929,600)
Change in employer's proportionate share	(4,933,059)	-	(4,933,059)
Net difference between projected and actual earnings	(21,483,246)	(7,254,949)	(28,738,195)
Total Deferred Inflows of Resources	<u>\$ (29,306,559)</u>	<u>\$ (7,294,295)</u>	<u>\$ (36,600,854)</u>

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2022. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2023	\$ 12,047,680	\$ 674,783	\$ (6,096,697)	\$ (1,923,734)	\$ 4,702,032
2024	1,826,476	422,754	(5,529,150)	(1,794,559)	(5,074,479)
2025	87,728	250,348	(5,640,451)	(1,794,559)	(7,096,934)
2026	87,728	2,829,402	(6,450,693)	(1,781,443)	(5,315,006)
2027	87,728	-	(369,254)	-	(281,526)
Thereafter	-	-	(5,220,314)	-	(5,220,314)
Total	<u>\$ 14,137,340</u>	<u>\$ 4,177,287</u>	<u>\$ (29,306,559)</u>	<u>\$ (7,294,295)</u>	<u>\$ (18,286,227)</u>

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2022 were based on actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2021	June 30, 2021
Valuation Date	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015-2018	1997-2015
Actuarial Assumptions:		
Discount Rate	7.10%	7.15%
Inflation	2.75%	2.50%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	7.15%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

(1) CalSTRS post retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

(3) Varies by entry age and service.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.

SELMA UNIFIED SCHOOL DISTRICT
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(5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% CalSTRS and 7.15% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the discount bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently, CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2018 with new policies in effect on July 1, 2018. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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

In determining the long-term expected rate of return, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

The tables below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

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CalSTRS		
Asset Class	Assumed Asset Allocation	Long Term Expected Real Rate of Return*
Public Equity	42.00%	4.80%
Real Estate	15.00%	3.60%
Private Equity	13.00%	6.30%
Fixed Income	12.00%	1.30%
Risk Mitigating Strategies	10.00%	1.80%
Inflation Sensitive	6.00%	3.30%
Cash/Liquidity	2.00%	-0.40%

*20 year average

CalPERS			
Asset Class (1)	Assumed Asset Allocation	Real Return Years 1-10 (2,4)	Real Return Years 11+ (3,4)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

(1) In the Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(2) An expected inflation of 2.00% used for this period

(3) An expected inflation of 2.92% used for this period

(4) Figures are based on the previous ALM of 2017

e. Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	CalSTRS	CalPERS
1% Decrease	6.10%	6.15%
Net Pension Liability	\$ 55,285,432	\$ 28,142,530
Current Discount Rate	7.10%	7.15%
Net Pension Liability	\$ 27,158,719	\$ 16,690,502
1% Increase	8.10%	8.15%
Net Pension Liability	\$ 3,814,085	\$ 7,182,861

SELMA UNIFIED SCHOOL DISTRICT
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YEAR ENDED JUNE 30, 2022

3. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability

CalSTRS - Governmental Activities

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2021 (Previously Reported)	\$ 352,469,703	\$ 255,130,388	\$ 97,339,315	\$ 33,109,968	\$ 64,229,347
Changes for the year:					
CalSTRS Auditor Adjustment	-	-	-	-	-
Change in Prop share	(5,835,163)	4,225,463	(10,060,625)	(3,894,301)	(6,166,324)
Service Cost	6,828,556	-	6,828,556	2,285,791	4,542,765
Interest	21,864,479	-	21,864,479	7,318,916	14,545,563
Differences between expected and actual experience	(3,022,256)	-	(3,022,256)	(1,011,670)	(2,010,586)
Change in assumptions	-	-	-	-	-
Change in benefits	-	-	-	-	-
Contributions:					
Employer	-	5,165,374	(5,165,374)	(1,729,057)	(3,436,317)
Employee	-	3,357,320	(3,357,320)	(1,123,829)	(2,233,491)
State On Behalf Payments	-	3,346,909	(3,346,909)	(1,120,344)	(2,226,565)
Net Investment Income	-	60,138,860	(60,138,860)	(20,130,882)	(40,007,978)
Other Income	-	81,144	(81,144)	(27,162)	(53,982)
Benefit Payments, including refunds of employee contributions	(9,971,167)	(10,243,097)	271,930	91,026	180,904
Administrative expenses	-	225,665	(225,665)	(75,539)	(150,126)
Borrowing Costs	-	80,382	(80,382)	(26,907)	(53,475)
Other Expenses	-	1,527	(1,527)	(511)	(1,016)
Net Changes	9,864,449	66,379,547	(56,515,097)	(19,444,469)	(37,070,628)
Balance at June 30, 2022	\$ 362,334,152	\$ 321,509,935	\$ 40,824,218	\$ 13,665,499	\$ 27,158,719

(1) - Includes refunds of employee contributions

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

CalPERS - Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2021 (Previously Reported)	\$ 88,910,765	\$ 62,500,307	\$ 26,410,458
Changes for the year:			
Change in Proportionate Share	(2,918,543)	(1,692,755)	(1,225,788)
Service Cost	1,926,744	-	1,926,744
Interest	5,923,490	-	5,923,490
Differences between expected and actual experience	(52,462)	-	(52,462)
Change in Assumptions	-	-	-
Contributions:			
Employer	-	2,439,598	(2,439,598)
Employee	-	836,522	(836,522)
Nonemployer	-	-	-
Net Investment Income	-	13,074,111	(13,074,111)
Plan to Plan Resource Movement	-	-	-
Benefit Payments, including refunds of employee contributions	(4,048,510)	(4,048,510)	-
Administrative expenses	-	(58,291)	58,291
Other expenses	-	-	-
Net Changes	830,719	10,550,675	(9,719,956)
Balance at June 30, 2022	<u>\$ 89,741,484</u>	<u>\$ 73,050,982</u>	<u>\$ 16,690,502</u>

(1) - Includes refunds of employee contributions

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports available on their respective websites.

L. Postemployment Benefits Other Than Pension Benefits

1. General Information about the OPEB Plan

The District administers a single employer defined benefit healthcare plan, which only provides health insurance. All coverages are self-insured on a pooled basis through the Self-Insured Schools of California (SISC).

There are approximately 35 retirees currently receiving benefits, as well as approximately 722 active employees who may become eligible to retire and receive benefits in the future as of June 30, 2022.

The contribution requirements of Plan members and the District are established and amended by the District. The required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Eligibility for District-Paid Benefits

The amount and duration of District-paid contributions for retiree health insurance vary by employment classification, age and date of hire.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Benefits provided. All employees may retire with District-paid healthcare benefits after the later of age 55 and 10 years of service immediately prior to retirement, with the most recent 5 years of service as a fulltime employee, if hired prior to January 1, 1992. If hired on or after January 1, 1992:

Certificated employees may retire with District-paid healthcare benefits after the later of age 55 and 18 years of service immediately prior to retirement, with the most recent 5 years of service as a full-time employee.

Classified employees may retire with District-paid healthcare benefits after the later of age 55 and 15 years of service immediately prior to retirement, with the most recent 2 years of service as a full-time employee.

Employees Covered by Benefit Terms

At June 30, 2022, the following retirees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	35
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	722
Total number of participants	<u>757</u>

2. Net OPEB Liability

The OPEB plan does not issue stand-alone financial reports that are available to the public.

Actuarial Assumptions and Other Inputs

The net OPEB liability actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	3.00%
Salary Increases	3.00%
Discount Rate	3.69%
Healthcare Cost Trend Rates	5.75% per year
Retiree's Share of Costs	0.00% of projected health insurance premiums

The discount rate was based on the Bond Buyer 20 Bond Index.

Pre-retirement mortality rates were based on the 1997-2015 CalPERS Experience Study and active employees from the 2015-2018 CalSTRS Experience Analysis, as appropriate, without projection. Post-retirement mortality rates for Healthy Recipients from the 1997-2015 CalPERS Experience Study and retired members and beneficiaries from the 2015-2018 CalSTRS Experience Analysis, as appropriate, without projection.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Changes in Net OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	\$ 19,675,681
Changes for the year:	
Service cost	1,635,494
Interest	461,922
Difference between expected and actual experience	927,813
Changes in assumptions and other inputs	(3,266,876)
Benefit payments	(569,349)
Other adjustments	1,829,070
Net changes	1,018,074
Balance at June 30, 2022	\$ <u>20,693,755</u>

There were no changes in benefit terms for the fiscal year ended June 30, 2022. The interest assumption changed from 5.80% to 5.75% and the discount rate changed from 2.45% to 3.69%. There were no changes to any other inputs or assumptions.

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:

	1% Decrease 2.69%	Discount Rate 3.69%	1% Increase 4.69%
Total OPEB Liability	\$ 22,632,269	\$ 20,693,755	\$ 18,918,586

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:

	1% Decrease 4.75%	Healthcare Cost Trend Rate 5.75%	1% Increase 6.75%
Total OPEB Liability	\$ 18,152,690	\$ 20,693,755	\$ 23,711,490

3. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$2,837,371.

At June 30, 2022 the District reported the following deferred outflows and inflows of resources related to other postemployment benefits.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

	Deferred Inflows of Resources	Deferred Outflows of Resources
Experience gains/losses	\$ -	\$ 1,780,743
Difference between expected and actual experience	17,352	-
Assumption changes	2,946,594	3,018,247
Contributions subsequent to measurement date	-	2,287
	<u>\$ 2,963,946</u>	<u>\$ 4,801,277</u>

Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows.

Year ending June 30,	Deferred Inflows of Resources	Deferred Outflows of Resources
2023	\$ 324,515	\$ 711,190
2024	324,515	708,903
2025	324,515	708,903
2026	324,515	708,903
2027	320,702	623,982
Thereafter	1,345,184	1,339,396
Total	<u>\$ 2,963,946</u>	<u>\$ 4,801,277</u>

M. Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to view 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.

N. Construction In Progress

Construction in Progress at June 30, 2022 are as follows:

	Project Authorization	Expended to 6/30/2022	Remaining Commitment
Marko Construction - Re-roofing	\$ 7,495,750	\$ 82,353	\$ 7,413,397
KYA Services - Marquees Supply & Install	1,005,943	1,005,943	-
Ro's Precise Painting - Re-painting	618,001	618,001	-
Total	<u>\$ 9,119,694</u>	<u>\$ 1,706,297</u>	<u>\$ 7,413,397</u>

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

O. Restricted Fund Balances

Restricted fund balances at June 30, 2022 are as follows:

Expanded Learning Opportunities Program	\$ 2,655,454
Educator Effectiveness, FY 2021-22	1,256,370
Lottery: Instructional Materials	944,593
Special Ed: Mental Health Services	42,810
Special Ed: Dispute Prevention and Dispute Resolution	87,979
Special Ed: Learning Recovery Support	273,968
Mental Health-Related Services	16,483
Special Education Early Intervention Preschool Grant	329,792
Child Nutrition: Kitchen Infrastructure Upgrade Funds	187,448
Child Nutrition: Food Service Staff Training Funds	50,639
A-G Access/Success Grant	336,063
A-G Learning Loss Mitigation Grant	18,638
Classified School Employee Summer Assistance Program	10,197
Ongoing & Major Maintenance Account (RMA: Education Code Sect	350,483
Other Restricted Local	321
Student Body Fund	695,900
Cafeteria Fund	1,445,681
Building Fund	17,486,694
Capital Facilities Fund	692,511
Bond Interest and Redemption Fund	2,787,429
Total	<u>\$ 29,669,453</u>

P. Joint Ventures (Joint Powers Agreements)

The District participates in three joint ventures under joint powers agreements (JPAs) as follows:

Fresno County Self-Insurance Group (FCSIG)
(workers' compensation insurance)

Organization of Self-Insured Schools (OSS)
(property and liability insurance)

Valley Regional Occupational Program
(student R.O.P. classes)

The relationships between the District and the other JPAs are such that none of the other JPAs are component units of the District for financial reporting purposes.

The JPAs provide insurance and services as noted for member school districts.

Each JPA is governed by a board consisting of a representative from each member district. Such governing board controls the operations of its JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond representation on the governing board.

Each district pays premiums and fees commensurate with the level of coverage or services requested, and shares surpluses and deficits proportionate to its participation in each JPA.

Each JPA is independently accountable for its fiscal matters, and maintains its own accounting records.

The District's share of year-end assets, liabilities, or fund equity has not been calculated by the entities.

SELMA UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Condensed financial information for the above JPAs for the year ended June 30, 2022 was not available as of the audit report date. Complete financial statements for the JPAs may be obtained from the JPAs at the addresses indicated below:

FCSIG	Tucker-Alexander Insurance 2133 High Street, Suite E Selma, CA 93662
OSS	Tucker-Alexander Insurance 2133 High Street, Suite E Selma, CA 93662
Valley Regional Occupational Program	Valley Regional Occupational Program 1305 Q Street Sanger, CA 93657

Q. Prior Period Adjustment

Adjustments to previously reported amounts relate to the Student Body Fund balance. The Student Body Fund balance has been included in the Governmental financial statements to implement changes as required by GASB 84.

	June 30 2022
Fund balance of the Student Body Fund, as previously reported as a part of the District's governmental funds	\$ 854,409
Prior period adjustment related to adjust beginning balance	(440,099)
Fund balance of the Student Body Fund, as restated as a part of the District's governmental funds	\$ <u>414,310</u>

R. Subsequent Events

Subsequent events have been evaluated through the date these financial statements were available to be issued.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

SELMA UNIFIED SCHOOL DISTRICT**EXHIBIT B-1**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2022

	1	2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 59,696,132	\$ 46,846,820	\$ 48,929,858	\$ 2,083,038
Education Protection Account Funds	6,076,045	27,148,111	27,148,111	-
Local Sources	6,503,894	6,954,504	6,954,504	-
Federal Revenue	11,921,680	40,309,052	17,193,679	(23,115,373)
Other State Revenue	8,160,471	16,043,911	13,487,874	(2,556,037)
Other Local Revenue	3,435,990	6,168,446	2,766,064	(3,402,382)
Total Revenues	<u>95,794,212</u>	<u>143,470,844</u>	<u>116,480,090</u>	<u>(26,990,754)</u>
Expenditures:				
Current:				
Certificated Salaries	35,253,384	44,109,529	40,688,085	3,421,444
Classified Salaries	11,236,972	14,843,647	14,169,803	673,844
Employee Benefits	21,383,496	24,710,416	22,866,754	1,843,662
Books And Supplies	16,339,869	23,065,595	5,931,370	17,134,225
Services And Other Operating Expenditures	8,246,606	13,668,058	9,826,528	3,841,530
Other Outgo	-	1,158,716	1,556,432	(397,716)
Direct Support/Indirect Costs	(291,600)	(173,897)	(146,739)	(27,158)
Capital Outlay	-	15,585,710	5,275,580	10,310,130
Debt Service:				
Principal	-	1,632,972	1,627,500	5,472
Interest	-	151,731	344,173	(192,442)
Total Expenditures	<u>92,168,727</u>	<u>138,752,477</u>	<u>102,139,486</u>	<u>36,612,991</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,625,485</u>	<u>4,718,367</u>	<u>14,340,604</u>	<u>9,622,237</u>
Other Financing Sources (Uses):				
Transfers Out	(700,000)	(707,663)	(1,772,337)	(1,064,674)
Other Sources	450,000	450,000	-	(450,000)
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(257,663)</u>	<u>(1,772,337)</u>	<u>(1,514,674)</u>
Net Change in Fund Balance	3,375,485	4,460,704	12,568,267	8,107,563
Fund Balance, July 1	13,196,961	13,196,961	13,196,961	-
Fund Balance, June 30	<u>\$ 16,572,446</u>	<u>\$ 17,657,665</u>	<u>\$ 25,765,228</u>	<u>\$ 8,107,563</u>

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.066%	0.066%	0.066%	0.064%	0.064%	0.062%	0.061%	0.060%	-	-
District's proportionate share of the net pension liability (asset)	\$ 27,158,719	\$ 64,229,347	\$ 59,158,920	\$ 58,419,763	\$ 58,109,964	\$ 49,929,386	\$ 41,203,421	\$ 34,586,665	- \$	-
State's proportionate share of the net pension liability (asset) associated with the District	13,665,499	33,109,968	31,951,705	33,570,868	34,508,078	21,697,000	21,792,009	20,885,131	-	-
Total	<u>\$ 40,824,218</u>	<u>\$ 97,339,315</u>	<u>\$ 91,110,625</u>	<u>\$ 91,990,631</u>	<u>\$ 92,618,042</u>	<u>\$ 71,626,386</u>	<u>\$ 62,995,430</u>	<u>\$ 55,471,796</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 40,969,929	\$ 35,881,645	\$ 36,779,351	\$ 36,827,969	\$ 34,271,324	\$ 45,386,192	\$ 30,856,440	\$ 28,366,351	- \$	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.29%	179.00%	160.85%	158.63%	169.56%	110.01%	133.53%	121.93%	-	-
Plan fiduciary net position as a percentage of the total pension liability	88.76%	72.38%	72.56%	70.99%	69.46%	71.35%	74.02%	74.00%	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 6,383,106	\$ 5,090,075	\$ 5,968,232	\$ 5,739,717	\$ 4,945,352	\$ 5,709,583	\$ 5,096,233	\$ 4,321,993	\$ -	\$ -
Contributions in relation to the contractually required contribution	(6,383,106)	(5,090,075)	(5,968,232)	(5,739,717)	(4,945,352)	(5,709,583)	(5,096,233)	(4,321,993)	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 40,969,929	\$ 35,881,645	\$ 36,779,351	\$ 36,827,969	\$ 34,271,324	\$ 45,386,192	\$ 30,856,440	\$ 28,366,351	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	15.58%	14.19%	16.23%	15.59%	14.43%	12.58%	16.52%	15.24%	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2022	2021	2020	2019	2017	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.082%	0.086%	0.089%	0.087%	0.080%	0.080%	0.080%	0.070%	-	-
District's proportionate share of the net pension liability (asset)	\$ 16,690,502	\$ 26,410,458	\$ 25,989,094	\$ 23,186,008	\$ 16,818,010	\$ 16,818,010	\$ 12,140,000	\$ 8,387,501	- \$	-
District's covered-employee payroll	\$ 15,992,013	\$ 13,329,495	\$ 13,688,999	\$ 14,237,410	\$ 10,984,296	\$ 10,984,296	\$ 10,190,960	\$ 9,010,212	- \$	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	104.37%	198.14%	189.85%	162.85%	153.11%	153.11%	119.13%	93.09%	-	-
Plan fiduciary net position as a percentage of the total pension liability	81.40%	70.30%	70.05%	70.85%	73.98%	73.98%	79.43%	73.90%	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,829,402	\$ 2,431,181	\$ 2,433,873	\$ 2,221,542	\$ 1,777,259	\$ 1,525,499	\$ 1,202,342	\$ 1,060,592	\$ -	\$ -
Contributions in relation to the contractually required contribution	(2,829,402)	(2,431,181)	(2,433,873)	(2,221,542)	(1,777,259)	(1,525,499)	(1,202,342)	(1,060,592)	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 15,992,013	\$ 13,329,495	\$ 13,688,999	\$ 14,237,410	\$ 11,443,300	\$ 10,984,296	\$ 10,190,960	\$ 9,010,212	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	17.69%	18.24%	17.78%	15.60%	15.53%	13.89%	11.80%	11.77%	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
SINGLE EMPLOYER PLAN
LAST TEN FISCAL YEARS *

	Fiscal Year Ended									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB liability:										
Service cost	\$ 1,635,494	\$ -	\$ 993,582	\$ 444,020	\$ 455,124	\$ -	\$ -	\$ -	\$ -	-
Interest	461,922	-	568,591	499,873	495,522	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Other adjustments	1,829,070	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	927,813	-	1,366,529	(34,284)	-	-	-	-	-	-
Changes of assumptions or other inputs	(3,266,876)	-	2,780,119	764,328	-	-	-	-	-	-
Benefit payments	(569,349)	-	(279,266)	(553,436)	(530,726)	-	-	-	-	-
Net change in total OPEB liability	1,018,074	-	5,429,555	1,120,501	419,920	-	-	-	-	-
Total OPEB liability - beginning	19,675,681	19,675,681	14,246,126	13,125,625	12,705,705	-	-	-	-	-
Total OPEB liability - ending	<u>\$ 20,693,755</u>	<u>\$ 19,675,681</u>	<u>\$ 19,675,681</u>	<u>\$ 14,246,126</u>	<u>\$ 13,125,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 56,961,942	\$ 49,211,140	\$ 51,065,379	\$ 47,078,281	\$ 47,078,281	\$ -	\$ -	\$ -	\$ -	-
Total OPEB liability as a percentage of covered-employee payroll	36.33%	39.98%	38.53%	30.26%	27.88%	-	-	-	-	-

Notes to Schedule:

There were no changes of benefit terms in 2022.

There were no changes of assumptions in 2022. The following are the discount rates used in each period.

2022	3.69%
2021	2.45%
2020	2.45%
2019	3.13%
2018	3.90%
2017	NA
2016	NA
2015	NA
2014	NA
2013	NA

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

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Combining Statements and Budget Comparisons as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

SELMA UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL GENERAL FUNDS

JUNE 30, 2022

EXHIBIT C-1

	General Fund	Special Reserve General Fund	Post Employment Benefits Fund	Totals June 30, 2022
ASSETS:				
Cash in County Treasury	\$ 27,016,652	\$ 2,280	\$ 40,773	\$ 27,059,705
Cash in Revolving Fund	5,000	-	-	5,000
Accounts Receivable	8,712,185	-	-	8,712,185
Due from Other Funds	634,161	-	-	634,161
Stores Inventories	345,889	-	-	345,889
Total Assets	<u>36,713,887</u>	<u>2,280</u>	<u>40,773</u>	<u>36,756,940</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	\$ 8,721,371	\$ -	\$ -	\$ 8,721,371
Due to Other Funds	349,759	2,280	-	352,039
Unearned Revenue	1,918,302	-	-	1,918,302
Total Liabilities	<u>10,989,432</u>	<u>2,280</u>	<u>-</u>	<u>10,991,712</u>
Fund Balance:				
Nonspendable Fund Balances:				
Revolving Cash	5,000	-	-	5,000
Stores Inventories	345,889	-	-	345,889
Restricted Fund Balances	6,561,238	-	-	6,561,238
Assigned Fund Balances	-	-	40,773	40,773
Unassigned:				
Other Unassigned	18,812,328	-	-	18,812,328
Total Fund Balance	<u>25,724,455</u>	<u>-</u>	<u>40,773</u>	<u>25,765,228</u>
Total Liabilities and Fund Balances	<u>\$ 36,713,887</u>	<u>\$ 2,280</u>	<u>\$ 40,773</u>	<u>\$ 36,756,940</u>

SELMA UNIFIED SCHOOL DISTRICT**EXHIBIT C-2**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GENERAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	Special Reserve General Fund	Post Employment Benefits Fund	Totals June 30, 2022
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	\$ 48,929,858	\$ -	\$ -	\$ 48,929,858
Education Protection Account Funds	27,148,111	-	-	27,148,111
Local Sources	6,954,504	-	-	6,954,504
Federal Revenue	17,193,679	-	-	17,193,679
Other State Revenue	13,487,874	-	-	13,487,874
Other Local Revenue	2,757,931	7,724	409	2,766,064
Total Revenues	<u>116,471,957</u>	<u>7,724</u>	<u>409</u>	<u>116,480,090</u>
Expenditures:				
Current:				
Instruction	55,611,632	-	-	55,611,632
Instruction - Related Services	9,827,229	-	-	9,827,229
Pupil Services	7,783,603	-	-	7,783,603
Ancillary Services	896,715	-	-	896,715
General Administration	10,749,938	-	-	10,749,938
Plant Services	8,466,684	-	-	8,466,684
Other Outgo	1,556,432	-	-	1,556,432
Capital Outlay	5,275,580	-	-	5,275,580
Debt Service:				
Principal	1,627,500	-	-	1,627,500
Interest	344,173	-	-	344,173
Total Expenditures	<u>102,139,486</u>	<u>-</u>	<u>-</u>	<u>102,139,486</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,332,471</u>	<u>7,724</u>	<u>409</u>	<u>14,340,604</u>
Other Financing Sources (Uses):				
Transfers Out	(1,000,000)	(772,337)	-	(1,772,337)
Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>(772,337)</u>	<u>-</u>	<u>(1,772,337)</u>
Net Change in Fund Balance	13,332,471	(764,613)	409	12,568,267
Fund Balance, July 1	12,391,984	764,613	40,364	13,196,961
Fund Balance, June 30	<u>\$ 25,724,455</u>	<u>\$ -</u>	<u>\$ 40,773</u>	<u>\$ 25,765,228</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

	Special Revenue Funds	Debt Service Fund Bond Interest & Redemption	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS:				
Cash in County Treasury	\$ 980,363	\$ 2,787,429	\$ 2,606,178	\$ 6,373,970
Cash on Hand and in Banks	695,900	-	-	695,900
Accounts Receivable	2,184,259	-	7,580	2,191,839
Due from Other Funds	13,071	-	2,689	15,760
Stores Inventories	59,698	-	-	59,698
Total Assets	<u>3,933,291</u>	<u>2,787,429</u>	<u>2,616,447</u>	<u>9,337,167</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	\$ 453,622	\$ -	\$ 104,947	\$ 558,569
Due to Other Funds	663,228	-	890	664,118
Total Liabilities	<u>1,116,850</u>	<u>-</u>	<u>105,837</u>	<u>1,222,687</u>
Fund Balance:				
Nonspendable Fund Balances:				
Stores Inventories	59,698	-	-	59,698
Restricted Fund Balances	2,141,581	2,787,429	692,511	5,621,521
Assigned Fund Balances	615,162	-	1,818,099	2,433,261
Total Fund Balance	<u>2,816,441</u>	<u>2,787,429</u>	<u>2,510,610</u>	<u>8,114,480</u>
Total Liabilities and Fund Balances	<u>\$ 3,933,291</u>	<u>\$ 2,787,429</u>	<u>\$ 2,616,447</u>	<u>\$ 9,337,167</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Debt Service Fund Bond Interest & Redemption	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
Federal Revenue	\$ 4,837,628	\$ -	\$ -	\$ 4,837,628
Other State Revenue	854,908	19,222	-	874,130
Other Local Revenue	1,291,191	2,485,188	48,271	3,824,650
Total Revenues	<u>6,983,727</u>	<u>2,504,410</u>	<u>48,271</u>	<u>9,536,408</u>
Expenditures:				
Current:				
Instruction	396,450	-	-	396,450
Instruction - Related Services	283,322	-	-	283,322
Pupil Services	4,744,715	-	-	4,744,715
Ancillary Services	1,056,593	-	-	1,056,593
General Administration	146,739	-	7,856	154,595
Capital Outlay	19,001	-	101,572	120,573
Debt Service:				
Principal	-	1,131,918	-	1,131,918
Interest	-	1,678,528	-	1,678,528
Total Expenditures	<u>6,646,820</u>	<u>2,810,446</u>	<u>109,428</u>	<u>9,566,694</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>336,907</u>	<u>(306,036)</u>	<u>(61,157)</u>	<u>(30,286)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	1,910,999	1,910,999
Transfers Out	-	-	(138,662)	(138,662)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,772,337</u>	<u>1,772,337</u>
Net Change in Fund Balance	336,907	(306,036)	1,711,180	1,742,051
Fund Balance, July 1	2,919,633	3,093,465	799,430	6,812,528
Prior Period Adjustment	(440,099)	-	-	(440,099)
Fund Balance, June 30	<u>\$ 2,816,441</u>	<u>\$ 2,787,429</u>	<u>\$ 2,510,610</u>	<u>\$ 8,114,480</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2022

	Student Body Fund	Adult Education Fund	Cafeteria Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-3)
ASSETS:				
Cash in County Treasury	\$ -	\$ 360,091	\$ 620,272	\$ 980,363
Cash on Hand and in Banks	695,900	-	-	695,900
Accounts Receivable	-	325,807	1,858,452	2,184,259
Due from Other Funds	-	1,342	11,729	13,071
Stores Inventories	-	-	59,698	59,698
Total Assets	<u>695,900</u>	<u>687,240</u>	<u>2,550,151</u>	<u>3,933,291</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	\$ -	\$ 59,127	\$ 394,495	\$ 453,622
Due to Other Funds	-	40,670	622,558	663,228
Total Liabilities	<u>-</u>	<u>99,797</u>	<u>1,017,053</u>	<u>1,116,850</u>
Fund Balance:				
Nonspendable Fund Balances:				
Stores Inventories	-	-	59,698	59,698
Restricted Fund Balances	695,900	-	1,445,681	2,141,581
Assigned Fund Balances	-	587,443	27,719	615,162
Total Fund Balance	<u>695,900</u>	<u>587,443</u>	<u>1,533,098</u>	<u>2,816,441</u>
Total Liabilities and Fund Balances	<u>\$ 695,900</u>	<u>\$ 687,240</u>	<u>\$ 2,550,151</u>	<u>\$ 3,933,291</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Student Body Fund	Adult Education Fund	Cafeteria Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-4)
Revenues:				
Federal Revenue	\$ -	\$ 232,757	\$ 4,604,871	\$ 4,837,628
Other State Revenue	-	566,365	288,543	854,908
Other Local Revenue	898,084	94,793	298,314	1,291,191
Total Revenues	<u>898,084</u>	<u>893,915</u>	<u>5,191,728</u>	<u>6,983,727</u>
Expenditures:				
Current:				
Instruction	-	396,450	-	396,450
Instruction - Related Services	-	283,322	-	283,322
Pupil Services	-	-	4,744,715	4,744,715
Ancillary Services	1,056,593	-	-	1,056,593
General Administration	-	25,217	121,522	146,739
Capital Outlay	-	-	19,001	19,001
Total Expenditures	<u>1,056,593</u>	<u>704,989</u>	<u>4,885,238</u>	<u>6,646,820</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(158,509)</u>	<u>188,926</u>	<u>306,490</u>	<u>336,907</u>
Net Change in Fund Balance	(158,509)	188,926	306,490	336,907
Fund Balance, July 1	1,294,508	398,517	1,226,608	2,919,633
Prior Period Adjustment	(440,099)	-	-	(440,099)
Fund Balance, June 30	<u>\$ 695,900</u>	<u>\$ 587,443</u>	<u>\$ 1,533,098</u>	<u>\$ 2,816,441</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2022

	Capital Facilities Fund	County School Facilities Fund	Capital Outlay Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-3)
ASSETS:				
Cash in County Treasury	\$ 697,459	\$ 409	\$ 1,908,310	\$ 2,606,178
Accounts Receivable	7,580	-	-	7,580
Due from Other Funds	-	-	2,689	2,689
Total Assets	<u>705,039</u>	<u>409</u>	<u>1,910,999</u>	<u>2,616,447</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	\$ 12,047	\$ -	\$ 92,900	\$ 104,947
Due to Other Funds	481	409	-	890
Total Liabilities	<u>12,528</u>	<u>409</u>	<u>92,900</u>	<u>105,837</u>
Fund Balance:				
Restricted Fund Balances	692,511	-	-	692,511
Assigned Fund Balances	-	-	1,818,099	1,818,099
Total Fund Balance	<u>692,511</u>	<u>-</u>	<u>1,818,099</u>	<u>2,510,610</u>
Total Liabilities and Fund Balances	<u>\$ 705,039</u>	<u>\$ 409</u>	<u>\$ 1,910,999</u>	<u>\$ 2,616,447</u>

SELMA UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Capital Facilities Fund	County School Facilities Fund	Capital Outlay Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-4)
Revenues:				
Other Local Revenue	\$ 46,884	\$ 1,387	\$ -	\$ 48,271
Total Revenues	<u>46,884</u>	<u>1,387</u>	<u>-</u>	<u>48,271</u>
Expenditures:				
Current:				
General Administration	7,856	-	-	7,856
Capital Outlay	8,672	-	92,900	101,572
Total Expenditures	<u>16,528</u>	<u>-</u>	<u>92,900</u>	<u>109,428</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>30,356</u>	<u>1,387</u>	<u>(92,900)</u>	<u>(61,157)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	1,910,999	1,910,999
Transfers Out	-	(138,662)	-	(138,662)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(138,662)</u>	<u>1,910,999</u>	<u>1,772,337</u>
Net Change in Fund Balance	30,356	(137,275)	1,818,099	1,711,180
Fund Balance, July 1	662,155	137,275	-	799,430
Fund Balance, June 30	<u>\$ 692,511</u>	<u>\$ -</u>	<u>\$ 1,818,099</u>	<u>\$ 2,510,610</u>

SELMA UNIFIED SCHOOL DISTRICT**EXHIBIT C-9**

BUILDING FUND

CAPITAL PROJECTS FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2022

	1	2	3
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other Local Revenue	\$ 175,274	\$ 180,066	\$ 4,792
Total Revenues	<u>175,274</u>	<u>180,066</u>	<u>4,792</u>
Expenditures:			
Current:			
Books And Supplies	126,325	123,369	2,956
Services And Other Operating Expenditures	44,371	15,924	28,447
Capital Outlay	6,737,129	3,018,243	3,718,886
Total Expenditures	<u>6,907,825</u>	<u>3,157,536</u>	<u>3,750,289</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,732,551)</u>	<u>(2,977,470)</u>	<u>3,755,081</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(6,732,551)	(2,977,470)	3,755,081
Fund Balance, July 1	20,464,164	20,464,164	-
Fund Balance, June 30	<u>\$ 13,731,613</u>	<u>\$ 17,486,694</u>	<u>\$ 3,755,081</u>

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

SELMA UNIFIED SCHOOL DISTRICT

LOCAL EDUCATION AGENCY

ORGANIZATION STRUCTURE

JUNE 30, 2022

The District was originally formed in 1878 and serves approximately 6,000 students with eight elementary schools, one middle school, one high school, one independent study school, one continuation school and one adult education school. There were no boundary changes during the year ended June 30, 2022.

Governing Board		
Name	Office	Term Expiration
Diane Jensen	President	2022
Rosemary Alanis	Vice President	2024
Narinder Sahota	Clerk	2024
Roger Orosco	Member	2022
Jennifer Winter	Member	2022

Administration
Marilyn Shepherd, Ed. D. Superintendent
Andrea Affrunti Assistant Superintendent
Teresa Wood Assistant Superintendent
Johnny Alvarado Chief Academic Officer
Christine Ortega Director of Business Services

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2022

TABLE D-1

	Second Period Report	Annual Report
TK/K-3:		
Regular ADA	1,523.62	1,543.88
Extended Year Special Education	1.42	1.42
TK/K-3 Totals	1,525.04	1,545.30
Grades 4-6:		
Regular ADA	1,209.13	1,221.28
Extended Year Special Education	1.52	1.52
Grades 4-6 Totals	1,210.65	1,222.80
Grades 7 and 8:		
Regular ADA	833.12	831.45
Extended Year Special Education	1.07	1.07
Grades 7 and 8 Totals	834.19	832.52
Grades 9-12:		
Regular ADA	1,750.28	1,752.27
Extended Year Special Education	1.91	1.91
Grades 9-12 Totals	1,752.19	1,754.18
ADA Totals	5,322.07	5,354.80

There were no audit findings which resulted in necessary revisions to attendance.

Average daily attendance is a measurement of the number of pupils attending classes of the district or charter school. 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 and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

SELMA UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
 YEAR ENDED JUNE 30, 2022

TABLE D-2

Grade Level	Ed. Code 46207 Minutes Requirement	Ed. Code 46207 Adjusted & Reduced	2021-22 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Transitional Kindergarten	36,000	N/A	51,455	180	N/A	Complied
Kindergarten	36,000	N/A	51,455	180	N/A	Complied
Grade 1	50,400	N/A	55,280	180	N/A	Complied
Grade 2	50,400	N/A	55,280	180	N/A	Complied
Grade 3	50,400	N/A	55,340	180	N/A	Complied
Grade 4	54,000	N/A	55,340	180	N/A	Complied
Grade 5	54,000	N/A	55,305	180	N/A	Complied
Grade 6	54,000	N/A	55,305	180	N/A	Complied
Grade 7	54,000	N/A	61,859	180	N/A	Complied
Grade 8	54,000	N/A	61,859	180	N/A	Complied
Grade 9	64,800	N/A	65,638	180	N/A	Complied
Grade 10	64,800	N/A	65,638	180	N/A	Complied
Grade 11	64,800	N/A	65,638	180	N/A	Complied
Grade 12	64,800	N/A	65,638	180	N/A	Complied

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2022

TABLE D-3

General Fund	Budget 2023 (see note 1)	2022	2021	2020
Revenues and other financial sources	\$ 116,471,945	\$ 116,480,090	\$ 86,695,471	\$ 91,577,039
Expenditures	101,930,510	102,911,823	84,340,614	90,265,206
Other uses and transfers out	1,000,000	1,000,000	-	1,858,669
Total outgo	102,930,510	103,911,823	84,340,614	92,123,875
Change in fund balance (deficit)	13,541,435	12,568,267	2,354,857	(546,836)
Ending fund balance	\$ 39,306,663	\$ 25,765,228	\$ 13,196,961	\$ 10,842,104
Available reserves (see note 2)	\$ 7,557,525	\$ 18,812,328	\$ 742,773	\$ 4,023,542
Available reserves as a percentage of total outgo	7.3%	18.1%	8.8%	4.4%
Total long-term debt	\$ 169,424,508	\$ 171,601,624	\$ 171,601,624	\$ 171,601,624
Average daily attendance at P-2	5,773	5,316	5,966	6,112

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.

The fund balance of the general fund has increased by \$14,923,124 (137.6%) over the past two years. The fiscal year 2022-2023 budget projects an increase of \$13,541,435 (52.6%). 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 any operating deficits in one of the past three years, but projects an increase during the 2022-2023 fiscal year. Total long-term debt has not changed over the past two years.

Average daily attendance has decreased by 796 over the past two years. During fiscal year 2022-2023, an increase of 457 average daily attendance is anticipated.

NOTES:

1. The budget for 2023 is included for analytical purposes only and has not been subjected to audit.
2. Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

SELMA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

TABLE D-4

	General Fund	Student Body Fund
June 30, 2022, annual financial and budget report fund balances	\$ 25,933,416	\$ 845,435
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
To reconcile STRS payable ending balance	(208,961)	-
To record student body activity	-	(149,535)
Net adjustments and reclassifications	(208,961)	(149,535)
June 30, 2022, audited financial statement fund balances	\$ 25,724,455	\$ 695,900

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

SELMA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF CHARTER SCHOOLS AND OTHER INFORMATION
 YEAR ENDED JUNE 30, 2022

TABLE D-5

No charter schools are chartered by Selma Unified School District.

<u>Charter Schools</u>	<u>Included In Audit?</u>
None	N/A

Subrecipients

The District did not provide any awards to subrecipients.

De Minimis Cost Rate

The District did not elect to use the 10% de minimis cost rate.

Excess Sick Leave

The District did not authorize or accrue any excess sick leave as that term is defined in subdivision (c) of Education Code Section 22170.5 for the District's employees who are members of the California State Teachers' Retirement System (CalSTRS).

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

TABLE D-6

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER:			
<u>U.S. Department of Agriculture</u>			
Passed Through California Department of Education (CDE):			
School Breakfast Program-Basic	10.553	13525	\$ 780,667
National School Lunch Program	10.555	13523, 13524	2,995,241
Child and Adult Care	10.558	13393	823,149
Total Passed Through California Department of Education (CDE)			4,599,057
Total U.S. Department of Agriculture			4,599,057
Total Child Nutrition Cluster			4,599,057
SPECIAL EDUCATION (IDEA) CLUSTER:			
<u>U.S. Department of Education</u>			
Passed Through California Department of Education (CDE):			
Other Federal: AB 114 CANS Demonstration Project and AB 114 Imp	84.027	1110	5,814
Special Education: IDEA Basic Local Assistance Entitlement, Part B	84.027	13379	1,499,975
Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	112,390
Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	60,756
Total Passed Through California Department of Education (CDE)			1,678,935
Total U.S. Department of Education			1,678,935
Total Special Education (IDEA) Cluster			1,678,935
OTHER PROGRAMS:			
<u>U.S. Department of Education</u>			
Passed Through California Department of Education (CDE):			
Adult Education: Adult Secondary Education (Section 231)	84.002	13978	171,512
Adult Education: Adult Basic Education & ELA (Section 231)	84.002A	14508	61,245
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.01	14329	2,794,076
ESEA: ESSA School Improvement (CSI) Funding for LEAs	84.01	15438	2,281
ESSA (ESEA): Title I, Migrant Ed Summer Program	84.011	10005	39,933
ESEA (ESSA): Title I, Part C, Migrant Education (MESRP)	84.011	10144	4,055
ESEA (ESSA): Title I, Part C, Migrant Ed (Regular and Summer Program)	84.011	14326	169,779
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	64,305
ESEA (ESSA): Title IV, Part B, 21st Century Community Learning Centers	84.287	14349	21,009
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346	210,159
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grant	84.367	14341	249,523
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	185,664
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425	15536	5,321
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425	15547	4,297,455
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	5,309,036
American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425	15566	15,443
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425	15618	705,497
Expanded Learning Opportunities (ELO) Grant GEER II	84.425	15619	127,360
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve	84.425	15620	300,021
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve	84.425	15621	445,906
Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	84.425C	15517	302,547
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learn	84.425U	10155	271,188
Total Passed Through California Department of Education (CDE)			15,753,315
Total U.S. Department of Education			15,753,315
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 22,031,307

The accompanying notes are an integral part of this schedule.

SELMA UNIFIED SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2022

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Selma Unified School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Selma Unified School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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Other Independent Auditor's Reports

Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Board of Trustees
Selma Unified School District
Selma, California 93662

Members of the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Selma Unified School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Selma Unified School District's basic financial statements, and have issued our report thereon dated December 12, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Linger, Peterson & Shrum".

Linger, Peterson & Shrum
Fresno, California
December 12, 2022

Independent Auditor's Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Selma Unified School District
Selma, California 93662

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Selma Unified School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Selma Unified School District's major federal programs for the year ended June 30, 2022. Selma Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Selma Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Selma Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a legal determination of Selma Unified School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Selma Unified School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Selma Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Selma Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 12, 2022

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Independent Auditor's Report on State Compliance

Board of Trustees
Selma Unified School District
Selma, California 93662

Members of the Board of Trustees:

Report on Compliance

Opinion

We have audited the District's compliance with the requirements specified in the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, applicable to the District's state program requirements identified below for the year ended June 30, 2022.

In our opinion, Selma Unified School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2021-22 K-12 Audit Guide Procedures	Procedures Performed?
Local Education Agencies Other than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials.....	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	N/A
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	N/A
After/Before School Education and Safety Program	N/A
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	N/A
Immunizations.....	N/A
Educator Effectiveness	Yes
Expanded Learning Opportunities (ELO-G)	N/A
Career Technical Education Incentive Grant	Yes
In Person Instruction Grant	Yes

Charter Schools:

Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study.....	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
Charter School Facility Grant Program	N/A

The term "N/A" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Linger, Peterson & Shrum
Fresno, California
December 12, 2022

Findings and Recommendations Section

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)? Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	Special Ed (IDEA) Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

SELMA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

3. State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting? _____ Yes X No

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

B. 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 paragraphs 5.18 through 5.20 of "Government Auditing Standards."

There were no Financial Statement findings or questioned costs.

C. Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no Federal award findings or questioned costs.

D. State Award Findings and Questioned Costs

This section identifies the audit findings pertaining to noncompliance with State program rules and regulations.

There were no State award findings or questioned costs.

SELMA UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
There were no prior year findings and questioned costs.		

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Selma Unified School District (the “District”) in connection with the issuance of \$9,000,000 of the District’s Election of 2022 General Obligation Bonds, Series A (Bank Qualified) (the “Bonds”). The Bonds are being issued pursuant to the resolution adopted by the Board of Trustees of the District on May 9, 2023 (the “Resolution”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

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

“Dissemination Agent” shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

“Financial Obligation” shall mean: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

“Official Statement” shall mean that certain official statement, dated July 11, 2023, relating to the offering and sale of the Bonds.

“Participating Underwriter” shall mean Piper Sandler & Co., as the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently ending June 30), commencing with the report for the 2022-23 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a notice in a timely manner to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The District’s Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

- (a) State funding received by the District for the last completed fiscal year;
- (b) average daily attendance of the District for the last completed fiscal year;
- (c) outstanding District indebtedness;
- (d) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;
- (e) assessed valuation of taxable property within the District for the current fiscal year; and
- (f) secured *ad valorem* property tax levy collections and delinquencies within the District for the last completed fiscal year, except to the extent the Teeter Plan, as adopted by Fresno County, applies to both the 1% general purpose *ad valorem* property tax levy and to the tax levy for general obligation bonds of the District.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format, and accompanied by identifying information, prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

- 1. principal and interest payment delinquencies.
- 2. tender offers.
- 3. defeasances.
- 4. rating changes.
- 5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
- 6. unscheduled draws on the debt service reserves reflecting financial difficulties.
- 7. unscheduled draws on credit enhancement reflecting financial difficulties.
- 8. substitution of the credit or liquidity providers or their failure to perform.

9. 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.

10. bankruptcy, insolvency, receivership or similar event of the District. For the purposes of the event identified in this Section 5(a)(10), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. optional, contingent or unscheduled Bond calls.
4. unless described under Section 5(a)(5) above material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.
8. incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in

format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

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

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

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

financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: July 27, 2023

SELMA UNIFIED SCHOOL DISTRICT

By: _____
Assistant Superintendent, Business and Support
Services

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: SELMA UNIFIED SCHOOL DISTRICT

Name of Bond Issue: Election of 2022 General Obligation Bonds, Series A (Bank Qualified)

Date of Issuance: July 27, 2023

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated:_____

SELMA UNIFIED SCHOOL DISTRICT

By _____ [form only; no signature required]

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APPENDIX D

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF SELMA AND FRESNO COUNTY

The following information concerning the City of Selma (the “City”) and Fresno County (the “County”) is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the City or of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been independently verified by the District, the Underwriter, the municipal advisor or Bond Counsel.

General

City of Selma. Founded in 1893 and known as the Raisin Capital of the World, Selma is located in the State of California’s (the “State”) central San Joaquin Valley at the crossroads of State Routes 99 and 43. The City’s location has made it a regional hub for the southeast portion of the County as well as neighboring Tulare and Kings Counties. The City owes its beginnings to agriculture and to the Southern Pacific Railroad connecting the Central Valley between Sacramento and Bakersfield. The City is governed by five City Council members with staggered four-year terms elected by district, which then elects a mayor and mayor pro-tem from among its members.

Fresno County. Formed in 1856, the County encompasses over 6,000 square miles in the State’s San Joaquin Valley. By area, the County is the sixth largest county in the State. It is located near three National Parks: Yosemite National Park, Sequoia National Park and Kings Canyon National Park. The County is one of the leading agricultural counties in America. Centrally located between the San Francisco Bay Area and Los Angeles, the County provides rapid access to West Coast markets via two major freeways – Interstate 5 and Highway 99, and serves as a trade center for the central portion of the State. The County is governed by an elected five-member Board of Supervisors.

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Population

The following table shows historical population figures for the City, the County and the State for the past 10 years of data that is currently available.

POPULATION ESTIMATES
2013 through 2022
City of Selma, Fresno County and the State of California

<u>Year</u>	<u>City of Selma</u>	<u>Fresno County</u>	<u>State of California</u>
2013	23,775	956,991	38,269,864
2014	23,829	964,929	38,556,731
2015	23,898	975,108	38,865,532
2016	24,084	983,722	39,103,587
2017	24,302	992,951	39,352,398
2018	24,337	1,003,012	39,519,535
2019	24,394	1,013,007	39,605,361
2020	24,717	1,008,654	39,538,223
2021	24,702	1,009,231	39,303,157
2022	24,522	1,011,273	39,185,605

Source: 2013-19 (2010 Demographic Research Unit Benchmark): California Department of Finance for May 2021. 2020-22 (2020 Demographic Research Unit Benchmark): California Department of Finance for January 1.

Personal Income

The following table shows per capita personal income for the County, the State, and the United States for the past 10 years of data currently available.

PER CAPITA PERSONAL INCOME
2012 through 2021
Fresno County, State of California, and United States

<u>Year</u>	<u>Fresno County</u>	<u>State of California</u>	<u>United States</u>
2012	\$33,492	\$48,121	\$44,548
2013	34,609	48,502	44,798
2014	36,600	51,266	46,887
2015	38,686	54,546	48,725
2016	39,427	56,560	49,613
2017	39,939	58,804	51,550
2018	40,963	61,508	53,786
2019	42,987	64,919	56,250
2020	48,312	70,647	59,765
2021	51,422	76,614	64,143

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Principal Employers

The following tables list the principal employers located in the County for the periods shown below.

**PRINCIPAL EMPLOYERS
2021
Fresno County**

<u>Name</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Fresno Unified School District	Educational Services	11,492
Community Medical Centers	Health Services	8,800
County of Fresno	Public Administration	7,000
Amazon.com, Inc.	Distribution	7,000
Clovis Unified School District	Services: Educational Services	6,000
Internal Revenue Service	Government Services	4,300
City of Fresno	Public Administration	3,889
Saint Agnes Medical Center	Health Services	2,867
State Center Community College District	Educational Services	2,850
California State University Fresno	Educational Services	2,488

Source: County of Fresno Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2021.

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Employment

The following table summarizes the labor force, employment and unemployment figures for the past five years of data currently available for the City, County, State and the United States.

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES
2017 through 2021
City of Selma, Fresno County, State of California, and United States

<u>Year and Area</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate (%)</u>
<u>2017</u>				
City of Selma	10,600	9,800	800	7.3
Fresno County	444,500	406,300	38,200	8.6
State of California	19,173,800	18,246,800	927,000	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
<u>2018</u>				
City of Selma	10,800	10,200	600	5.7
Fresno County	446,200	412,300	34,000	7.6
State of California	19,263,900	18,442,400	821,500	4.3
United States	162,075,000	155,761,000	6,314,000	3.9
<u>2019</u>				
City of Selma	10,700	10,000	600	5.9
Fresno County	451,300	418,100	33,200	7.4
State of California	19,353,700	18,550,500	803,200	4.2
United States	163,539,000	157,538,000	6,001,000	3.7
<u>2020</u>				
City of Selma	10,800	9,600	1,200	11.0
Fresno County	445,000	392,700	52,300	11.7
State of California	18,821,200	16,913,100	1,908,100	10.0
United States	160,742,000	147,795,000	12,947,000	8.1
<u>2021</u>				
City of Selma	10,800	9,800	900	8.6
Fresno County	443,400	402,600	40,700	9.2
State of California	19,041,000	18,127,700	913,300	4.8
United States	161,204,000	152,581,000	8,623,000	5.3

Note: Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2021 Benchmark.

Industry

The City and County are included in the Fresno Metropolitan Statistical Area (the “MSA”). The distribution of employment in the MSA is presented in the following table for the past five calendar years of data currently available. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
2017 through 2021
Fresno Metropolitan Statistical Area

<u>Category</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Farm	46,100	44,200	44,100	40,300	40,300
Mining and Logging	300	300	300	300	300
Manufacturing	25,600	25,900	26,200	25,800	26,300
Wholesale Trade	14,100	14,400	14,700	14,400	14,800
Retail Trade	38,900	39,100	38,700	36,900	39,000
Transportation, Warehousing and Utilities	14,100	15,400	16,600	18,300	19,400
Information	3,600	3,600	3,400	3,000	3,000
Financial Activities	13,800	14,100	14,300	13,500	13,100
Professional and Business Services	31,100	32,500	34,600	32,100	32,100
Educational and Health Services	67,200	69,300	72,500	71,700	75,100
Leisure and Hospitality	33,800	34,500	35,700	28,800	32,500
Other Services	11,800	11,900	12,100	11,100	11,700
Government	<u>72,600</u>	<u>74,500</u>	<u>75,200</u>	<u>72,500</u>	<u>70,800</u>
Total, All Industries	<u>390,200</u>	<u>398,300</u>	<u>407,500</u>	<u>387,400</u>	<u>398,100</u>

Note: The “Total, All Industries” data is not directly comparable to the employment data found herein.

Source: *State of California, Employment Development Department, Labor Market Information Division, Average Labor Force and Industry Employment. March 2021 Benchmark.*

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Commercial Activity

Summaries of annual taxable sale data for the past five years of data currently available for the City and County are shown in the following tables.

**ANNUAL TAXABLE SALES
2017 through 2021
City of Selma
(Dollars in Thousands)**

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2017	266	\$437,407	388	\$504,224
2018	285	493,624	426	572,163
2019	294	516,128	451	613,541
2020	312	558,821	489	663,084
2021	296	730,276	471	835,974

Source: Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA").

**ANNUAL TAXABLE SALES
2017 through 2021
Fresno County
(Dollars in Thousands)**

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Taxable Transactions</u>
2017	7,314	\$6,056,295	11,555	\$7,934,753
2018	7,369	6,244,563	11,936	8,270,219
2019	7,613	6,581,924	12,462	8,687,726
2020	8,373	6,337,006	13,770	8,389,188
2021	8,056	0,310,370	13,398	12,799,032

Source: Taxable Sales in California, California Department of Tax and Fee Administration ("CDTFA").

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued for the past five years of data currently available for the City and County are shown in the following tables.

BUILDING PERMIT VALUATIONS 2017 through 2021 City of Selma (Dollars in Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Valuation					
Residential	\$2,099	\$2,144	\$3,287	\$12,971	\$2,842
Non-Residential	<u>3,910</u>	<u>2,821</u>	<u>10,312</u>	<u>8,106</u>	<u>4,111</u>
Total	\$6,009	\$4,965	\$13,599	\$21,077	\$6,953
Units					
Single Family	7	10	18	74	16
Multiple Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	7	10	18	74	16

Note: Totals may not sum because of rounding.

Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS 2017 through 2021 Fresno County (Dollars in Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Valuation					
Residential	\$673,605	\$818,012	\$899,276	\$983,560	\$1,000,273
Non-Residential	<u>353,350</u>	<u>497,052</u>	<u>499,337</u>	<u>577,313</u>	<u>398,033</u>
Total	\$1,026,955	\$1,315,064	\$1,398,613	\$1,560,873	\$1,398,306
Units					
Single Family	1,886	2,560	2,732	2,747	3,337
Multiple Family	<u>1,135</u>	<u>290</u>	<u>689</u>	<u>653</u>	<u>398</u>
Total	3,021	2,850	3,421	3,400	3,735

Note: Totals may not sum because of rounding.

Source: Construction Industry Research Board.

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APPENDIX E

FRESNO COUNTY TREASURY INVESTMENT POOL

The following information concerning the Fresno County (the “County”) Treasury Investment Pool (the “Treasury Pool”) has been provided by the Treasurer-Tax Collector of the County (the “Treasurer”), and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter. None of the District, the Municipal Advisor or the Underwriter has made an independent investigation of the investments in the Treasury Pool nor any assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer may change the investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, none of the District, the Municipal Advisor or the Underwriter makes any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained is correct as of any time subsequent to its date. Further information may be obtained from the Treasurer at the following website: <https://www.co.fresno.ca.us/departments/auditor-controller-treasurer-tax-collector>. However, the information presented on such website is not incorporated into this Official Statement by any reference.

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Quarterly Investment Report

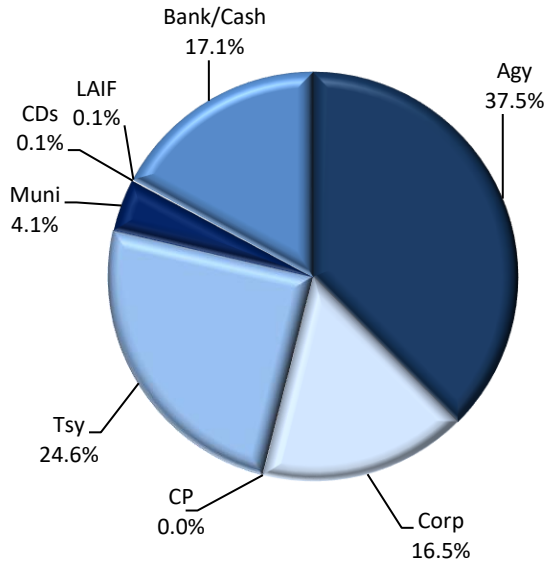
As of March 31, 2023

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Portfolio Statistics & Projected Cash Flows	14
Pool Participant Breakdown	15
Holdings Report	16
Quarterly Economic and Market Update	36

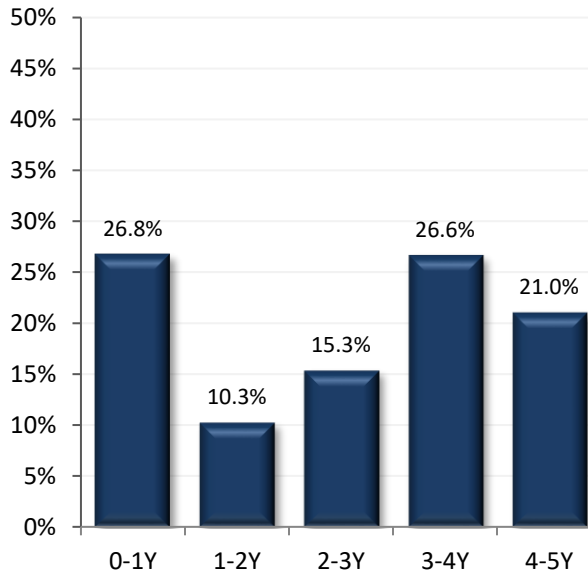
Board of Supervisors: Sal Quintero, Nathan Magsig, Steve Brandau, Buddy Mendes, Brian Pacheco
County Administrative Officer: Paul Nerland

SECTOR ALLOCATION



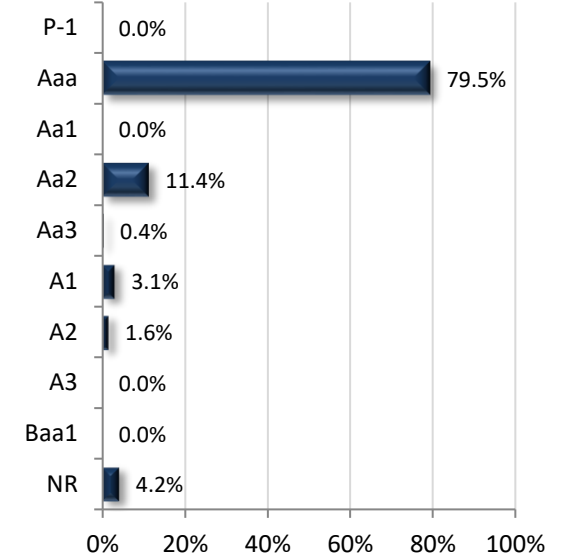
Per Book Value

MATURITY DISTRIBUTION



Per Book Value

CREDIT QUALITY (MOODY'S)



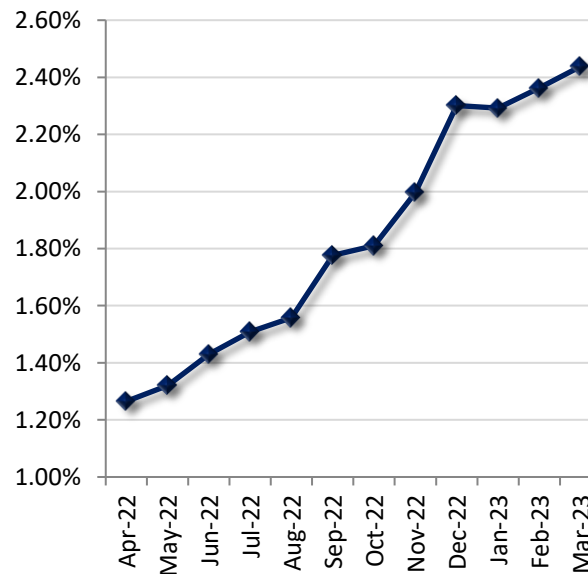
NR: Not Rated

ACCOUNT SUMMARY

	3/31/23	12/31/22
Market Value	\$6,874,891,359	\$6,672,011,496
Book Value*	\$7,151,730,923	\$7,021,822,855
Unrealized G/L	-\$276,839,563	-\$349,811,359
Par Value	\$7,190,929,955	\$7,048,846,582
Net Asset Value	\$96.129	\$95.018
Book Yield	2.44%	2.30%
Years to Maturity	2.42	2.37
Effective Duration	2.29	2.19

*Book Value is Amortized

PORTFOLIO BOOK YIELD HISTORY



TOP ISSUERS

Issuer	% Portfolio
US TREASURY NOTE	24.6%
FEDERAL FARM CREDIT BANK	14.5%
FEDERAL HOME LOAN BANK	10.9%
FIDELITY 2644	9.9%
FEDERAL NATIONAL MORTGAGE	9.8%
STATE OF CALIFORNIA	4.1%
FIDELITY 2642	3.2%
APPLE INC	2.8%
BANK OF THE WEST MM	2.8%
TOYOTA MOTOR CREDIT	2.7%
JP MORGAN	2.2%
FEDERAL HOME MORTGAGE CO	2.0%
CHEVRON CORP	1.9%
JOHN DEERE	1.6%
WALMART	1.3%

Per Book Value

Item / Sector	Parameters	In Compliance	
11.0 Weighted Average Maturity	Weighted Average Maturity (WAM) must be less than 3.5 years.	Yes	2.42 Yrs
8.1 U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years.	Yes	24.6%
8.2 U.S. Agencies	No sector limit, no issuer limit, max maturity 5 years.	Yes	37.5%
8.3 Banker Acceptances	40% limit, Issue is eligible for purchase by Federal Reserve. Issuer is among 150 largest banks based on total asset size; max maturity 180 days; rated A-1 or P-1.	Yes	0.0%
8.4 Commercial Paper	40% limit, corporation organized and operating in the US with total assets of \$500mm. 10% in any one issuer; max maturity 270 days; minimum short-term rating of A-1 by S&P or P-1 by Moody's, minimum long-term rating of A by S&P or its equivalent or better ranking by a nationally recognized rating service.	Yes	0.0%
8.5 Negotiable CDs	30% limit (combined with 8.6.1), Issued by national or state chartered bank or savings assoc., or a state licensed branch of a foreign bank that is among 150 largest banks in total asset size; minimum short-term rating of P-1 or A-1 or issuer meets rating requirements; 5% in any one issuer, max maturity 13 months.	Yes	0.1%
8.6 Non-Negotiable CDs	50% limit, Issued by national or state chartered bank or savings association. FDIC insurance OR full collateralization of 110% government or 150% mortgages. Contract for Deposit in place. 15% in any one issuer; short-term rating is a minimum of A-1 by S&P or P-1 by Moody's, max maturity 13 months.	No*	0.0%
8.6.1 Placement CDs	15% limit (30% combined with 8.5), Issued by national or state chartered bank or savings association or credit union that uses a placement entity. Deposit Placement Agreement in place.	Yes	0.0%
8.7 Repurchase Agreements	15% limit, Tri-party agreement in place. 102% collateralization of US treasuries or agencies, BAs, CP, Negotiable CD's; Overnight or weekend maturities.	Yes	0.0%
8.8 Medium-Term Notes	30% limit, organized and operating in the US or state licensed depository institution; max maturity 5 years; rated A or better by S&P, or its equivalent or better by a nationally recognized rating service.	Yes	16.5%
8.9 L.A.I.F	California State's deposit limit is \$75 million; Current investment policy limit is not to exceed 10% of the portfolio.	Yes	\$5 Mil

*Bank of the West CD has a maturity greater than 13 months and is out of compliance.

Item / Sector	Parameters	In Compliance	
8.10 Mutual Funds/ Money Markets Funds	20% limit, 20% per issuer; Registered with SEC, 5 years experience, \$500mm AUM or rated by AAA-m, Aaa-mf, AAA-m by not less than two nationally recognized rating agencies.	Yes	13.1%
8.11 ABS and MBS	10% limit combined. Security must be AA rated by one rating agency, with an A or better rating for the underlying, max maturity 5 years.	Yes	0.0%
8.12 Money Held from Pledged Assets	Invest according to statutory provision or according to entity providing issuance.	Yes	0.0%
8.13 External Managers	Invest per policy.	Yes	0.0%
8.14 State of California Debt	10% limit, Registered State warrants or CA treasury notes, including revenue producing entities controlled or operated by the State or by a department, board, agency, or authority of the State; 5 years max maturity.	Yes	4.1%
Cash & Bank Account	NA	NA	3.9%

Compliance

The Treasury Investment Pool is out of compliance with the County of Fresno Treasury Investment Pool Investment Policy due to a Bank of West Non-Negotiable CD maturing longer than 13 months.

The Treasury Investment Pool contains sufficient cash flow to meet the expected expenditures for the next six months.

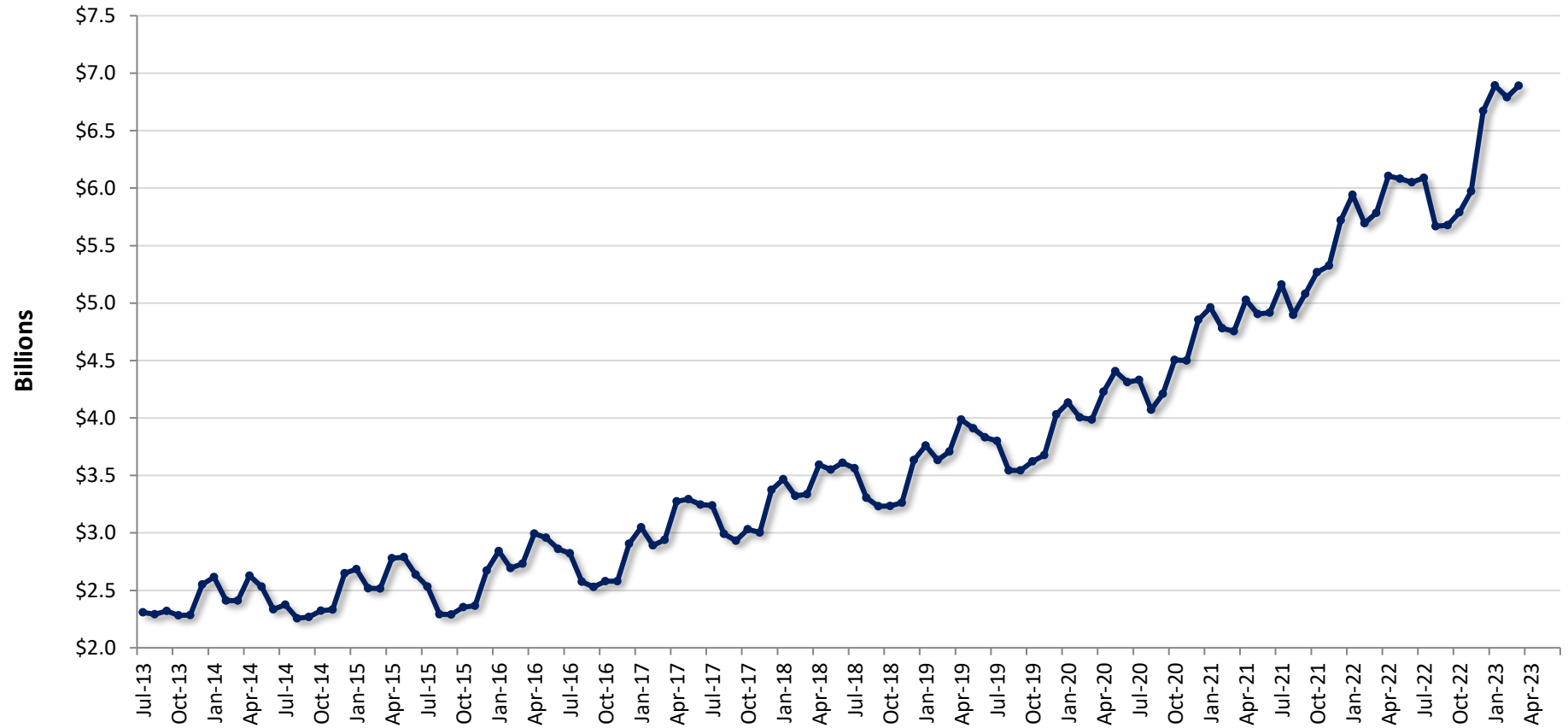
Review and Monitoring

FHN Financial Main Street Advisors, the County's investment advisor, currently monitors the Treasury Department's investment activities.

Additional Information

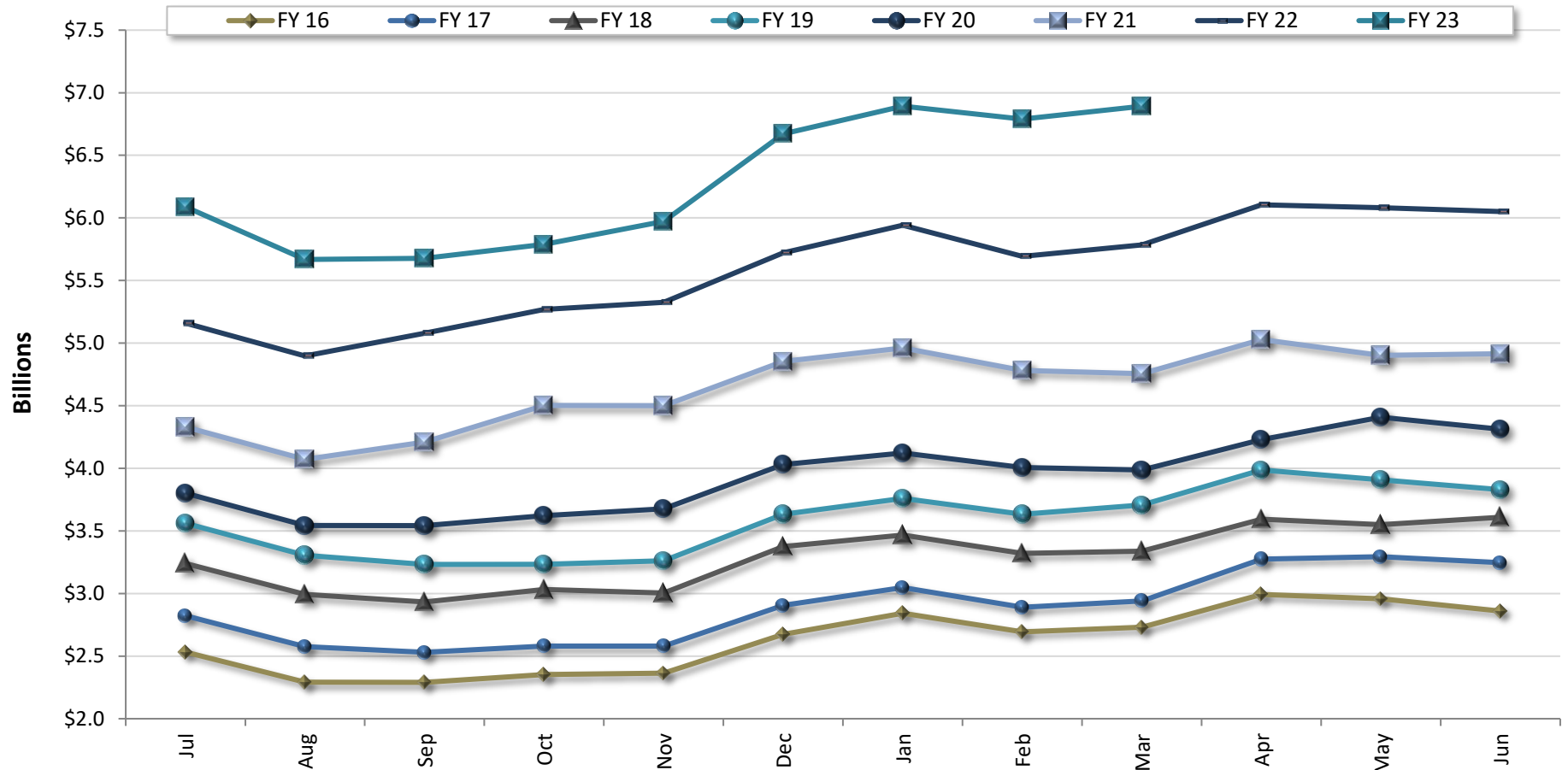
Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

The market values of securities were taken from pricing services provided by Ice Data Services.



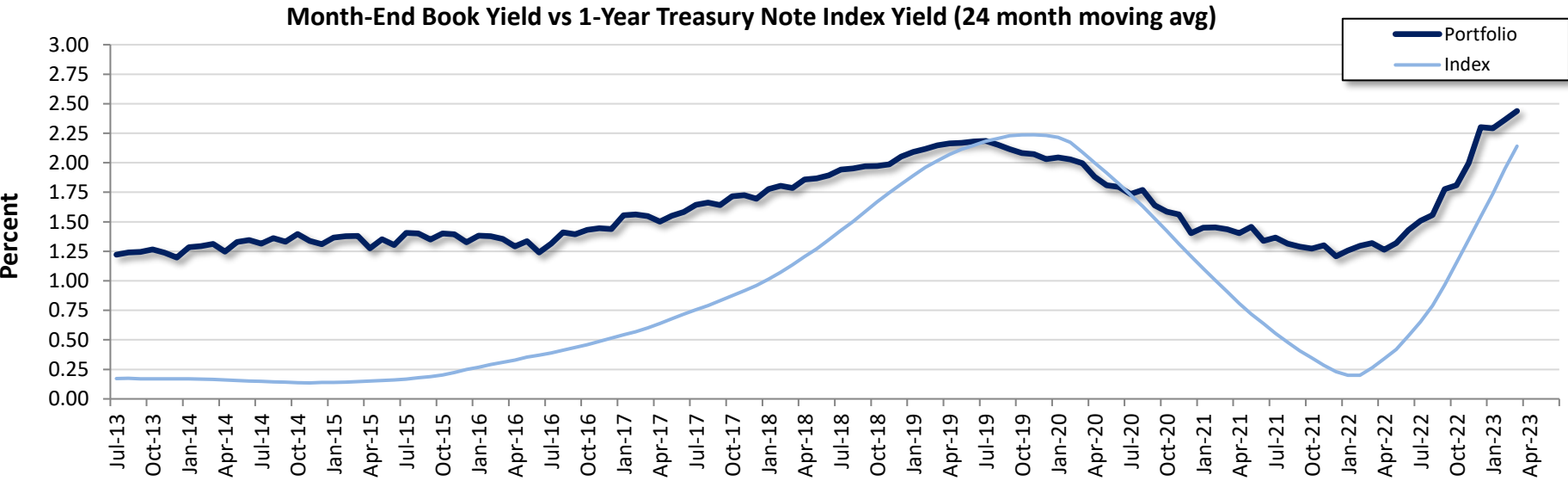
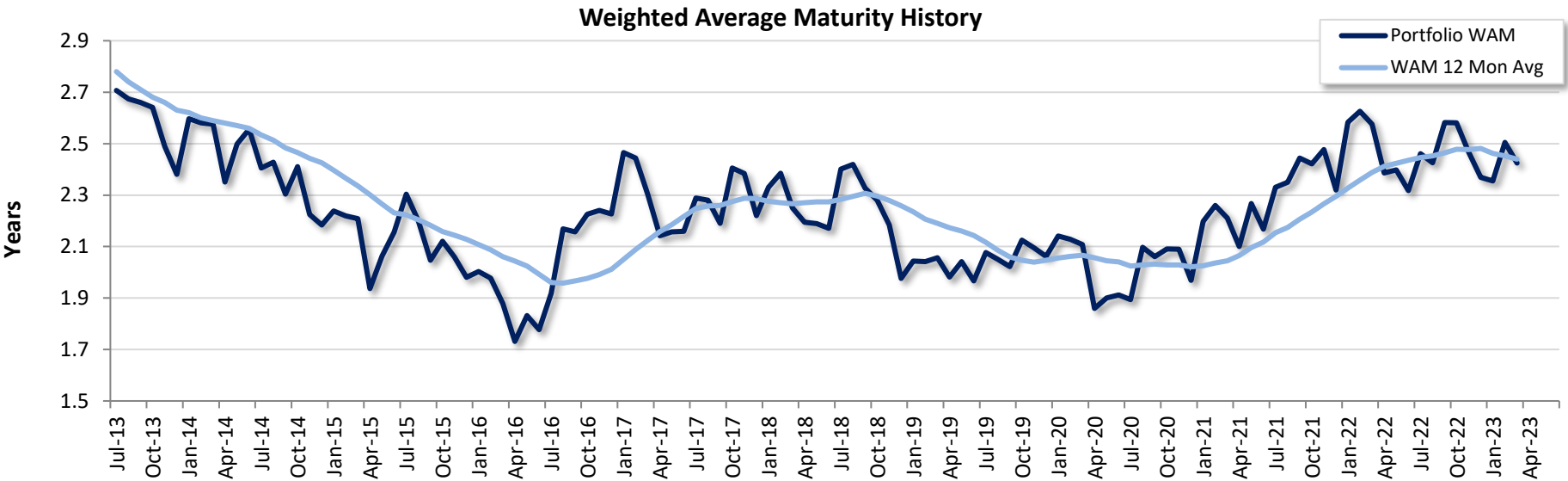
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2016	\$2.531	\$2.291	\$2.290	\$2.354	\$2.365	\$2.673	\$2.842	\$2.695	\$2.731	\$2.993	\$2.957	\$2.860
Fiscal Year 2017	\$2.822	\$2.576	\$2.530	\$2.581	\$2.580	\$2.905	\$3.048	\$2.891	\$2.940	\$3.274	\$3.294	\$3.247
Fiscal Year 2018	\$3.240	\$2.992	\$2.932	\$3.032	\$3.004	\$3.374	\$3.468	\$3.321	\$3.337	\$3.593	\$3.550	\$3.609
Fiscal Year 2019	\$3.562	\$3.305	\$3.232	\$3.233	\$3.262	\$3.634	\$3.759	\$3.634	\$3.707	\$3.987	\$3.909	\$3.830
Fiscal Year 2020	\$3.800	\$3.544	\$3.542	\$3.622	\$3.676	\$4.031	\$4.123	\$4.006	\$3.986	\$4.229	\$4.408	\$4.312
Fiscal Year 2021	\$4.331	\$4.071	\$4.210	\$4.503	\$4.501	\$4.854	\$4.962	\$4.781	\$4.755	\$5.028	\$4.903	\$4.915
Fiscal Year 2022	\$5.161	\$4.897	\$5.079	\$5.269	\$5.326	\$5.721	\$5.942	\$5.693	\$5.786	\$6.105	\$6.083	\$6.051
Fiscal Year 2023	\$6.088	\$5.668	\$5.677	\$5.788	\$5.972	\$6.671	\$6.892	\$6.790	\$6.892			

Figures in Billions, Average Daily Balance

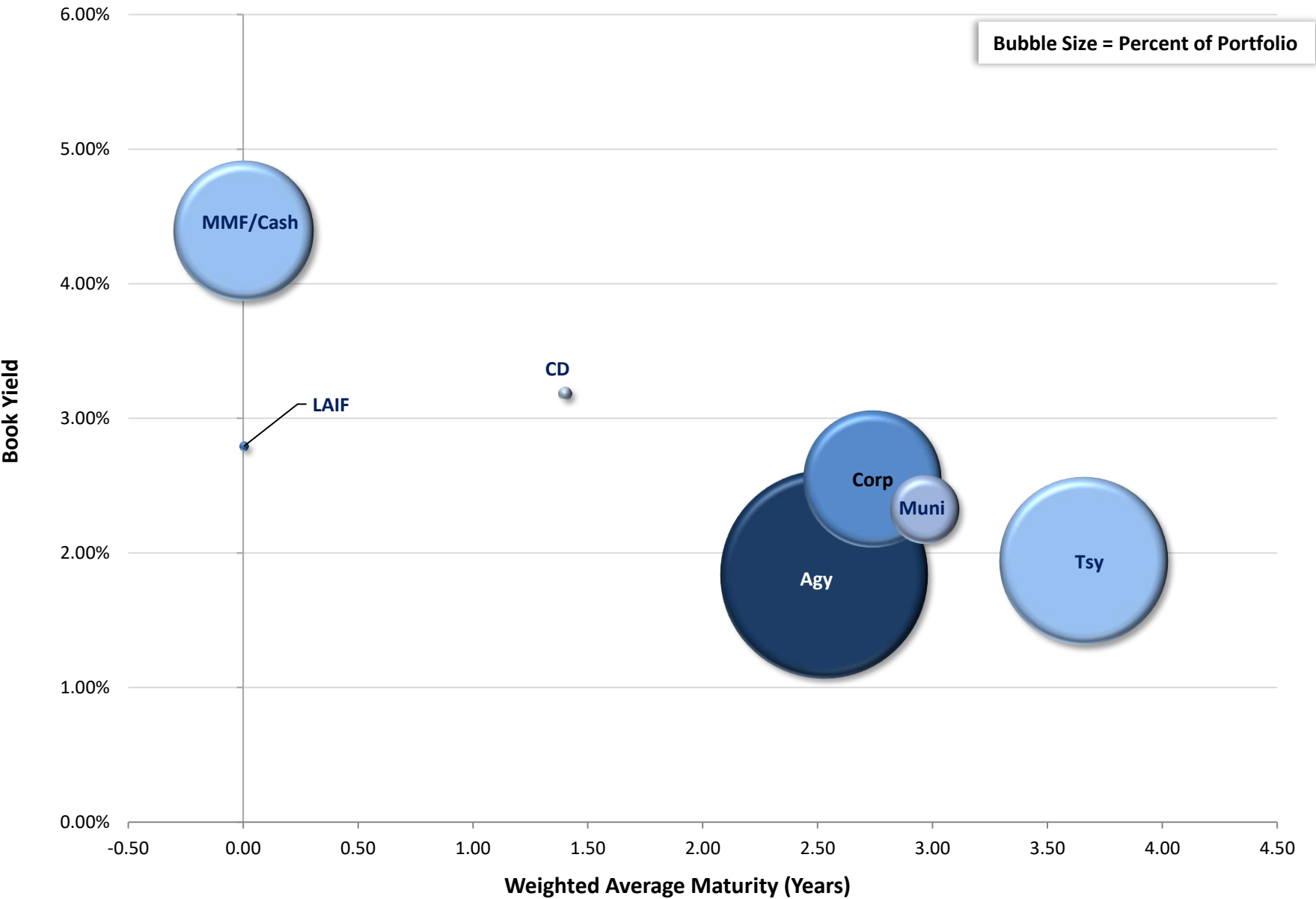


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2016	\$2.531	\$2.291	\$2.290	\$2.354	\$2.365	\$2.673	\$2.842	\$2.695	\$2.731	\$2.993	\$2.957	\$2.860
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Figures in Billions, Average Daily Balance

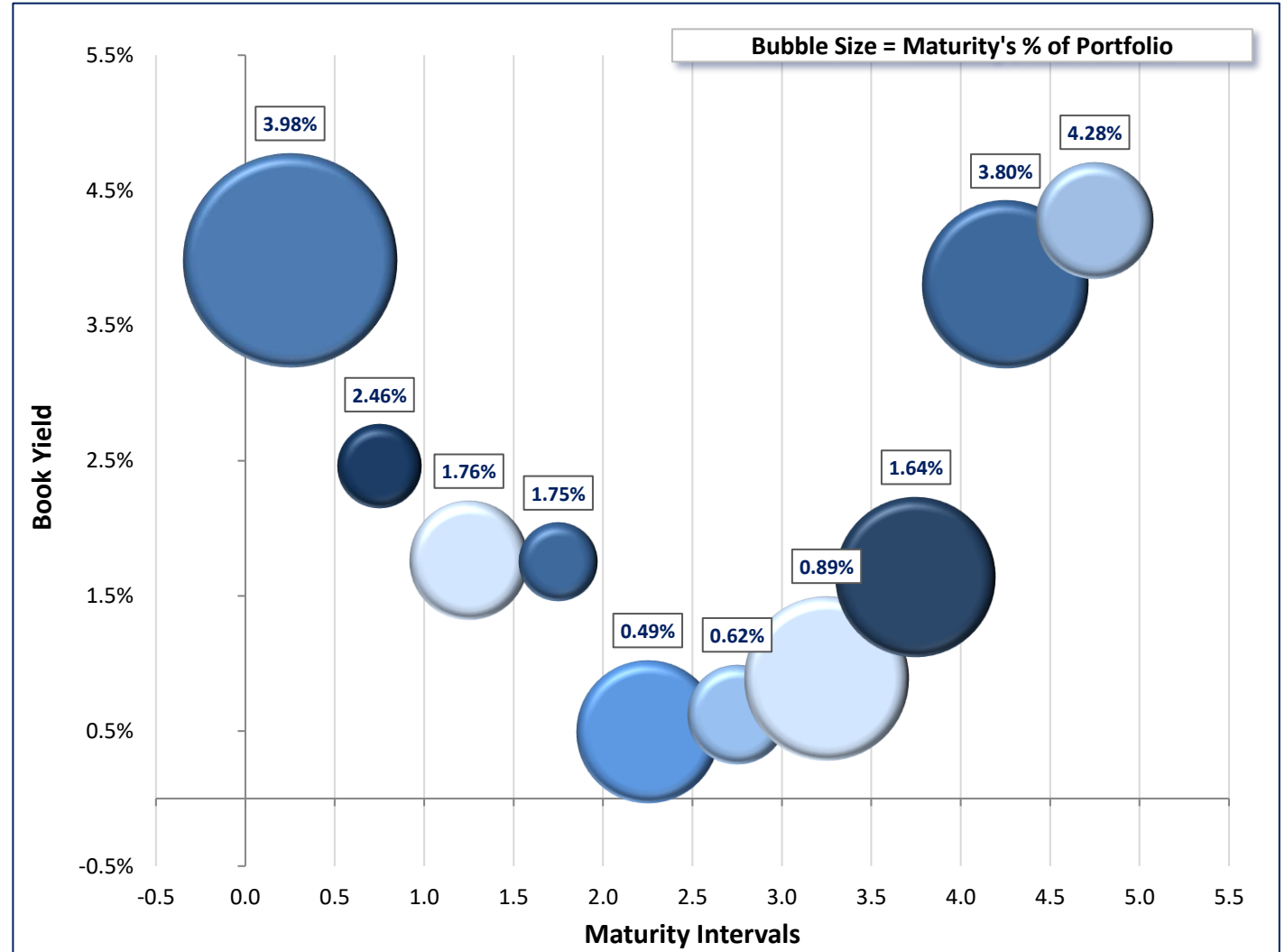


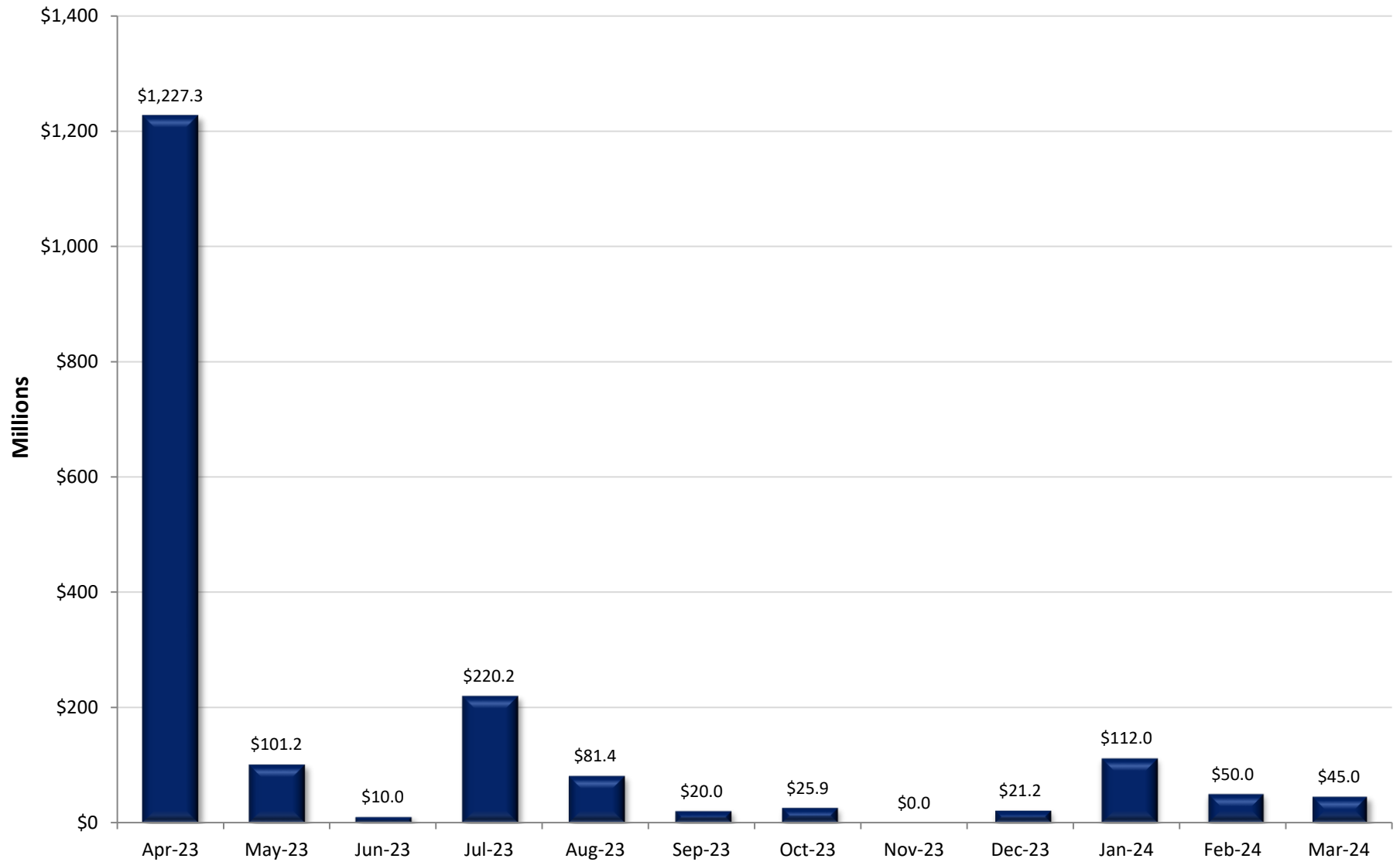
Index: 24 Month Moving Average of the ICE BofAML 1-Year US Treasury Note Index



Years	Book Yield	% of Portfolio*
0 to .5	3.98%	23.21%
.5 to 1.0	2.46%	3.55%
1.0 to 1.5	1.76%	7.12%
1.5 to 2.0	1.75%	3.13%
2.0 to 2.5	0.49%	10.34%
2.5 to 3.0	0.62%	5.00%
3.0 to 3.5	0.89%	13.72%
3.5 to 4.0	1.64%	12.92%
4.0 to 4.5	3.80%	14.12%
4.5 to 5.0+	4.28%	6.89%
Total	2.44%	100.0%

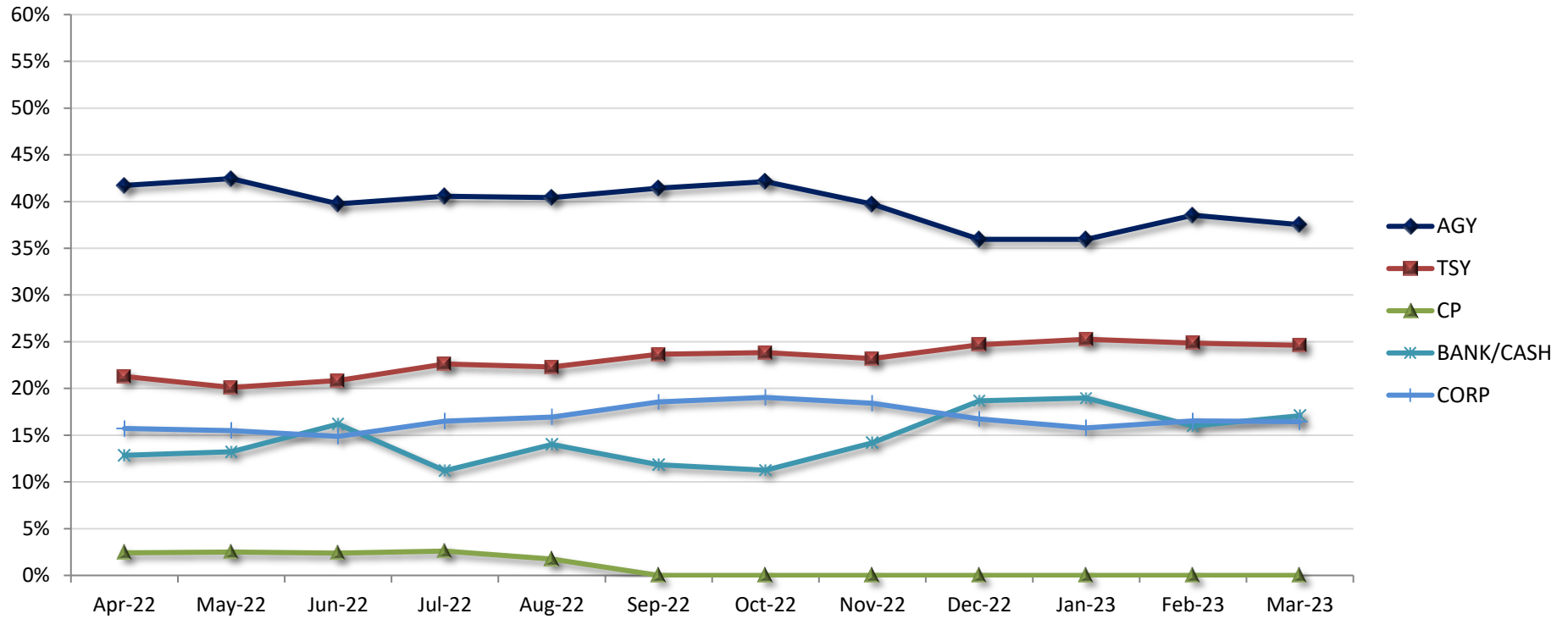
*Based on Book Value



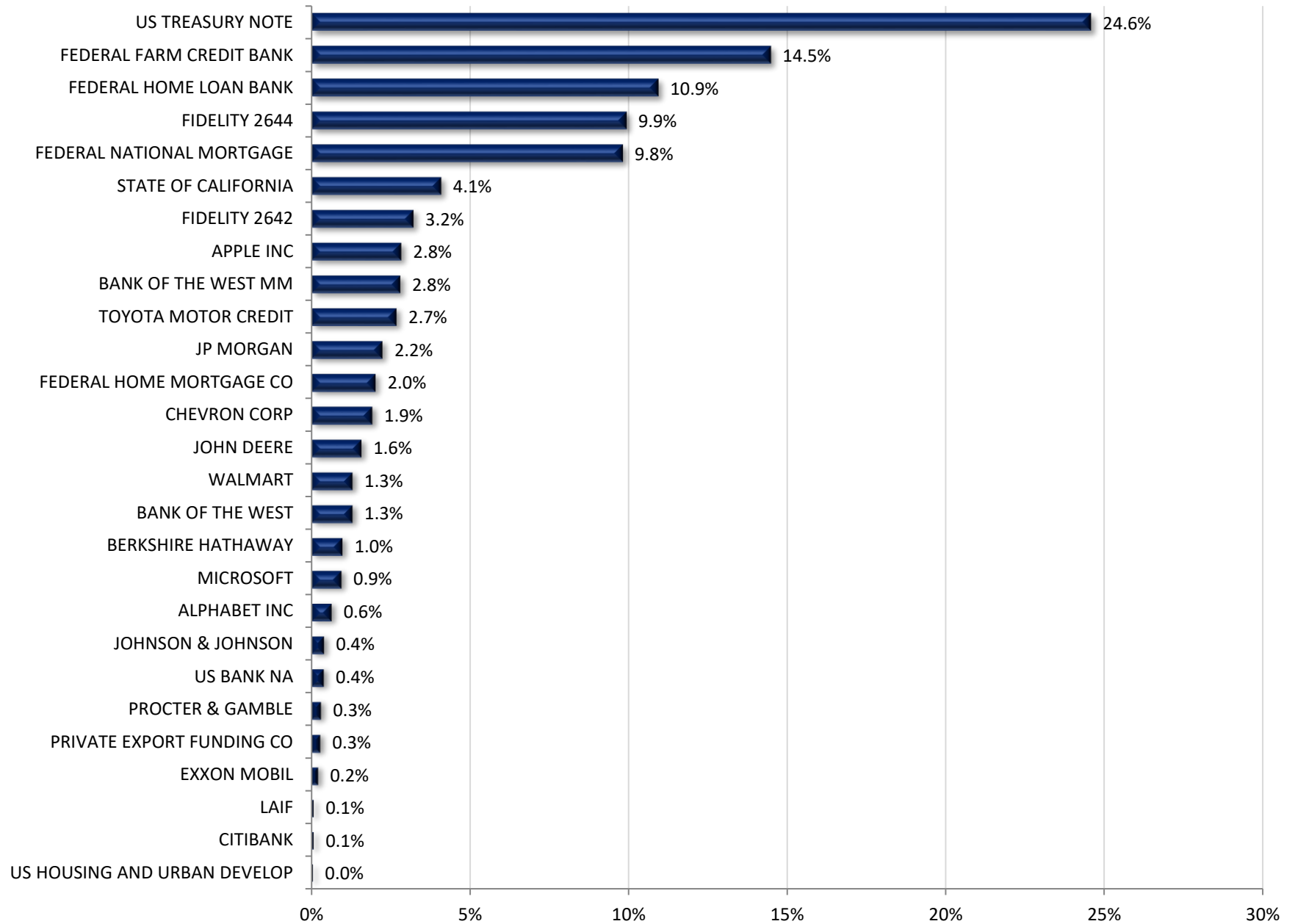


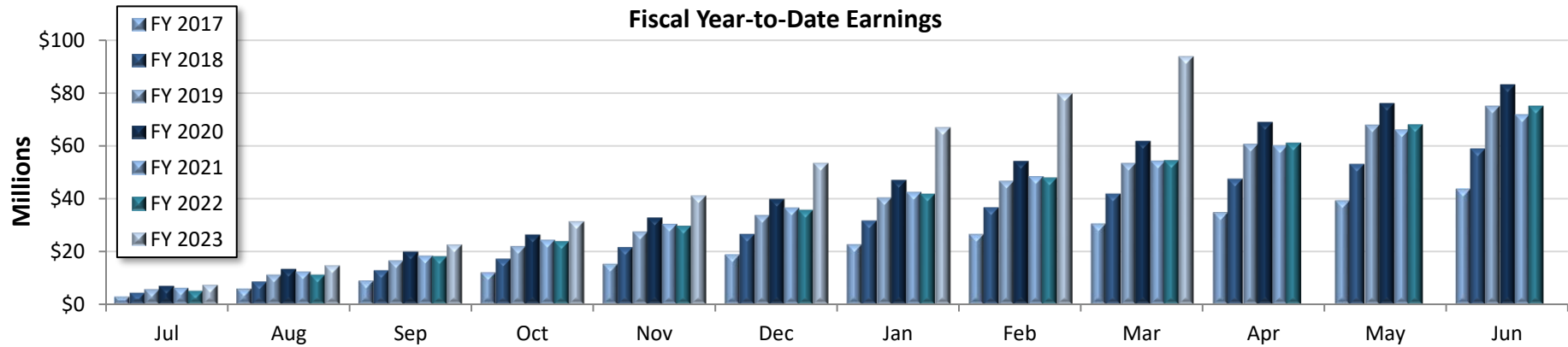
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Maturities	\$1,227.3	\$101.2	\$10.0	\$220.2	\$81.4	\$20.0	\$25.9	\$0.0	\$21.2	\$112.0	\$50.0	\$45.0

Par Value in Millions

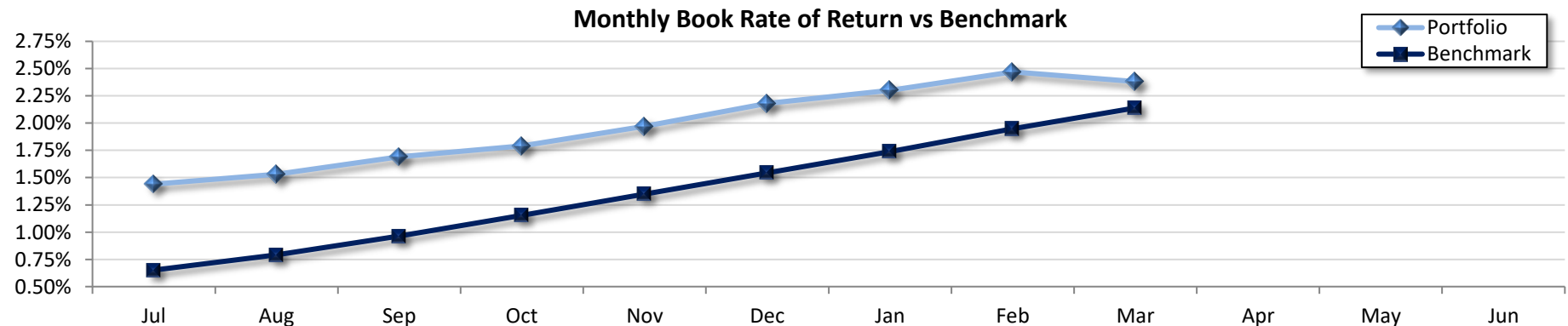


Sector	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Agency	41.7%	42.5%	39.7%	40.6%	40.4%	41.4%	42.1%	39.7%	36.0%	36.0%	38.5%	37.5%
Treasury	21.3%	20.1%	20.8%	22.6%	22.3%	23.7%	23.8%	23.2%	24.7%	25.3%	24.9%	24.6%
Commercial Paper	2.4%	2.5%	2.4%	2.6%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
LAIF	1.2%	1.2%	1.2%	1.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Muni	4.0%	4.1%	4.0%	4.3%	4.3%	4.2%	3.5%	4.2%	3.7%	3.8%	3.9%	4.1%
Corporates	15.7%	15.5%	14.9%	16.5%	16.9%	18.6%	19.0%	18.4%	16.7%	15.8%	16.5%	16.5%
CDs	0.8%	0.8%	0.8%	0.9%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Bank/Cash	12.9%	13.2%	16.2%	11.2%	14.0%	11.8%	11.3%	14.2%	18.7%	19.0%	16.0%	17.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%





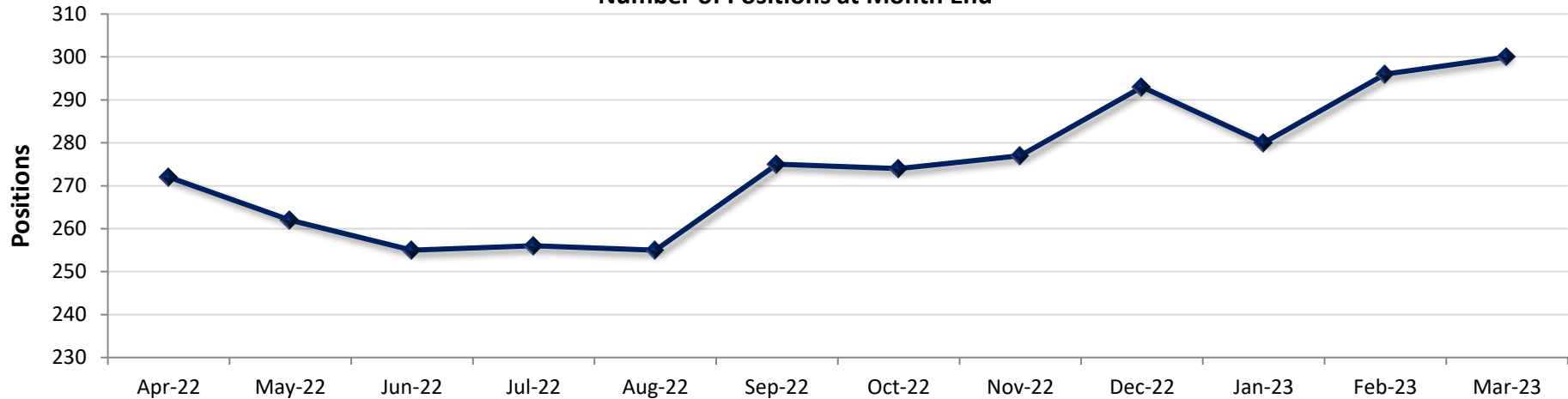
Fiscal YTD (\$Mil)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2017	\$3.0	\$6.0	\$9.0	\$12.1	\$15.3	\$18.9	\$22.7	\$26.5	\$30.5	\$34.8	\$39.2	\$43.5
FY 2018	\$4.5	\$8.7	\$12.9	\$17.3	\$21.6	\$26.7	\$31.7	\$36.7	\$41.9	\$47.4	\$53.0	\$58.8
FY 2019	\$5.8	\$11.3	\$16.7	\$22.1	\$27.5	\$33.8	\$40.4	\$46.7	\$53.5	\$60.7	\$68.0	\$75.1
FY 2020	\$7.1	\$13.5	\$20.0	\$26.4	\$32.9	\$39.9	\$47.1	\$54.2	\$61.8	\$68.9	\$76.1	\$83.1
FY 2021	\$6.3	\$12.4	\$18.5	\$24.5	\$30.5	\$36.6	\$42.5	\$48.4	\$54.2	\$60.0	\$65.9	\$71.6
FY 2022	\$5.2	\$11.3	\$18.2	\$23.9	\$29.8	\$35.7	\$41.9	\$48.0	\$54.5	\$61.1	\$68.1	\$75.1
FY 2023	\$7.5	\$14.8	\$22.7	\$31.6	\$41.2	\$53.6	\$67.1	\$79.8	\$93.9			



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Book Rate of Rtn	1.44%	1.53%	1.69%	1.79%	1.97%	2.18%	2.30%	2.47%	2.38%			
Benchmark*	0.65%	0.79%	0.96%	1.15%	1.35%	1.54%	1.74%	1.95%	2.14%			
Variance	0.79%	0.74%	0.73%	0.64%	0.62%	0.64%	0.56%	0.52%	0.24%			

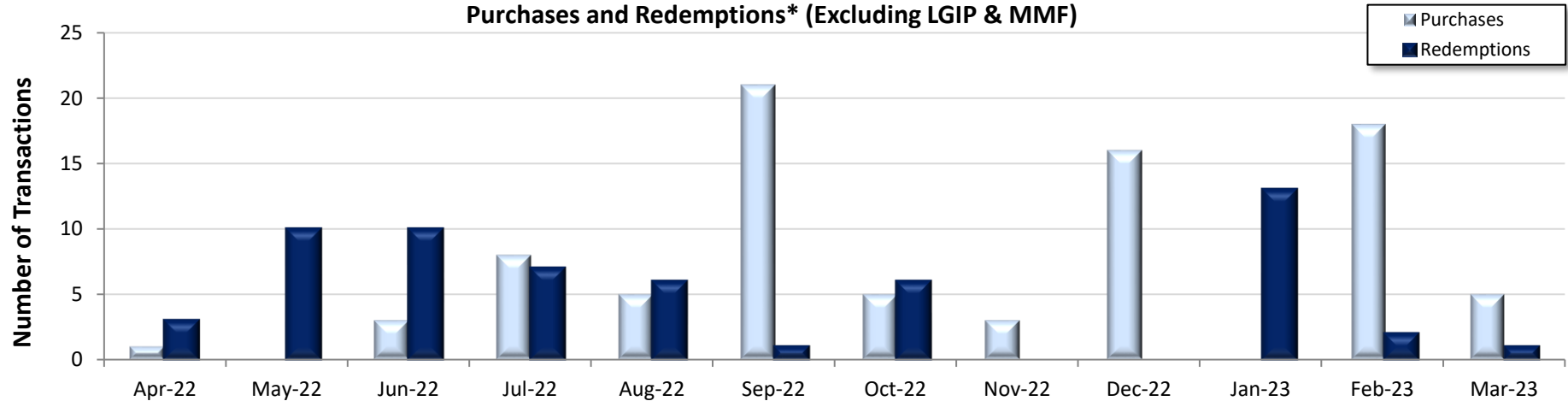
*Benchmark: ICE BofAML 1-Year US Treasury Note Index (24 Month Moving Average)

Number of Positions at Month End



	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Positions	272	262	255	256	255	275	274	277	293	280	296	300

Purchases and Redemptions* (Excluding LGIP & MMF)



*Redemptions include maturities, calls, and sells

	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Purchases	1	0	3	8	5	21	5	3	16	0	18	5
Redemptions	3	10	10	7	6	1	6	0	0	13	2	1
Total Transactions	4	10	13	15	11	22	11	3	16	13	20	6

Summary of Portfolio

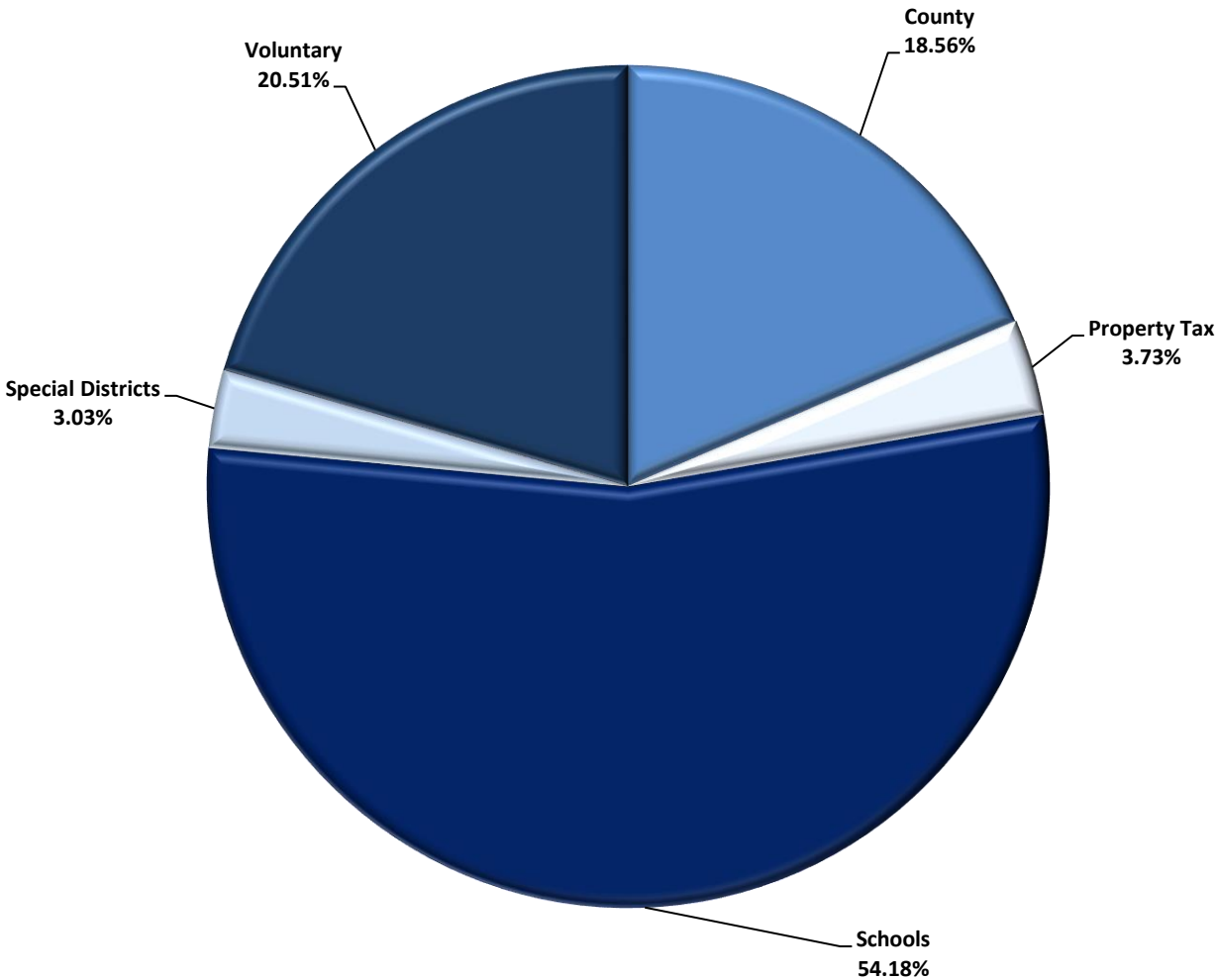
	March 2023	December 2022	September 2022	June 2022	March 2022
Market Value	\$6,874,891,359	\$6,672,011,496	\$5,500,287,958	\$6,012,424,829	\$5,767,967,369
Amortize Cost Value	\$7,151,730,923	\$7,021,822,855	\$5,876,834,741	\$6,258,299,137	\$5,946,488,176
Unrealized Gain/Loss % on cost	-3.87%	-4.98%	-6.41%	-3.93%	-3.00%
Yield (weighted on cost value)	2.44%	2.30%	1.78%	1.43%	1.32%
Years to Maturity (weighted on cost value)	2.42	2.37	2.58	2.32	2.58
Avg Dollar-Weighted Quality Rating	AA+	AA+	AA+	AA+	AA+

Projection of Future Cash Flows (in millions)

Month	Monthly Receipts (a)	Monthly Disburs. (a)	Difference	Actual Inv. Maturities	Balance
Beginning Balance (b)					1,673.0
4/23	970.6	672.8	297.8	0.0	1,970.8
5/23	524.3	650.4	-126.1	101.2	1,945.9
6/23	542.1	611.6	-69.5	10.0	1,886.4
7/23	387.6	789.9	-402.3	220.2	1,704.3
8/23	404.4	553.9	-149.5	81.4	1,636.2
9/23	564.4	508.9	55.5	20.0	1,711.7
Totals	3,393.4	3,787.5	-394.1	432.8	

(a) Monthly Receipt and Monthly Disbursement amounts are estimates based upon historical cash flows and may change as actual cash flow information becomes available.

(b) Beg. Balance is taken from Bank Accounts, Mutual Funds, and LAIF.





**County of Fresno
Portfolio Management
Portfolio Summary
March 31, 2023**

Fresno County
P.O. Box 1247
Fresno, CA 93715
(559)600-3496

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.
Bank Accounts	82,343,954.58	82,343,954.58	82,343,954.58	1.15	1	1	1.460
Federal Agency Coupons	2,684,864,000.00	2,558,364,019.82	2,683,961,218.14	37.53	1,765	923	1.839
Medium Term Notes	1,199,772,000.00	1,136,479,192.52	1,176,653,847.49	16.45	1,757	1,000	2.547
Treasury Notes	1,783,500,000.00	1,662,198,379.17	1,761,450,084.34	24.63	1,772	1,335	1.939
Certificates of Deposit	10,000,000.00	10,000,000.00	10,000,000.00	0.14	731	511	3.186
Mutual Funds	940,000,000.00	940,000,000.00	940,000,000.00	13.14	1	1	4.667
Local Agency Investment Funds	5,000,000.00	5,000,000.00	5,000,000.00	0.07	1	1	2.792
Bank Money Market Accounts	200,000,000.00	200,000,000.00	200,000,000.00	2.80	1	1	4.290
Municipal Bonds	285,450,000.00	280,505,813.30	292,321,818.03	4.09	1,686	1,083	2.323
Investments	7,190,929,954.58	6,874,891,359.39	7,151,730,922.58	100.00%	1,458	885	2.438

Total Earnings	March 31 Month Ending	Fiscal Year To Date
Current Year	13,911,614.19	93,855,874.18
Average Daily Balance	6,891,787,699.64	5,835,345,803.91
Effective Rate of Return	2.38%	2.14%

Oscar J. Garcia, CPA, Treasurer/ Tax Collector

Reporting period 03/01/2023-03/31/2023

Run Date: 04/18/2023 - 07:49

Portfolio FSNO
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PM (PRF_PM1) 7.3.11
Report Ver. 7.3.11

County of Fresno
Portfolio Management
Portfolio Details - Investments
March 31, 2023

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
Bank Accounts											
SYS03400A	03400A	BANK OF THE WEST			82,343,954.58	82,343,954.58	82,343,954.58	1.480	1.480		
Subtotal and Average			25,347,544.87		82,343,954.58	82,343,954.58	82,343,954.58		1.480		
Federal Agency Coupons											
3133EJUS6	17584	FEDERAL FARM CREDIT BANK		07/17/2018	20,000,000.00	19,871,272.20	19,999,846.89	2.875	2.878	AA+	Aaa 07/17/2023
3133EJUS6	17589	FEDERAL FARM CREDIT BANK		07/25/2018	30,000,000.00	29,806,908.30	29,994,303.68	2.875	2.945	AA+	Aaa 07/17/2023
3133EJUS6	17593	FEDERAL FARM CREDIT BANK		09/19/2018	10,000,000.00	9,935,636.10	9,995,792.93	2.875	3.029	AA+	Aaa 07/17/2023
3133EJK57	17606	FEDERAL FARM CREDIT BANK		12/20/2018	17,000,000.00	16,903,100.34	17,015,181.01	3.080	2.775	AA+	Aaa 07/24/2023
3133EJUS6	17607	FEDERAL FARM CREDIT BANK		12/20/2018	2,910,000.00	2,891,270.11	2,910,808.33	2.875	2.774	AA+	Aaa 07/17/2023
3133EJ4G1	17610	FEDERAL FARM CREDIT BANK		12/28/2018	65,000,000.00	64,587,559.40	64,996,626.15	2.770	2.787	AA+	Aaa 07/28/2023
3133EJUS6	17615	FEDERAL FARM CREDIT BANK		01/18/2019	20,000,000.00	19,871,272.20	20,010,802.96	2.875	2.679	AA+	Aaa 07/17/2023
3133EJ5W5	17618	FEDERAL FARM CREDIT BANK		02/26/2019	2,945,000.00	2,911,196.44	2,946,040.79	2.650	2.583	AA+	Aaa 10/23/2023
3133EKBW5	17620	FEDERAL FARM CREDIT BANK		02/28/2019	20,000,000.00	19,622,316.40	20,003,341.55	2.610	2.590	AA+	Aaa 02/27/2024
3133EKBW5	17622	FEDERAL FARM CREDIT BANK		03/01/2019	20,000,000.00	19,622,316.40	19,997,095.77	2.610	2.627	AA+	Aaa 02/27/2024
3133EKWV4	17647	FEDERAL FARM CREDIT BANK		08/28/2019	4,950,000.00	4,764,631.06	4,974,833.08	1.850	1.455	AA+	Aaa 07/26/2024
3133EKWV4	17648	FEDERAL FARM CREDIT BANK		08/28/2019	15,000,000.00	14,438,275.95	15,073,389.92	1.850	1.464	AA+	Aaa 07/26/2024
3133EKWV4	17649	FEDERAL FARM CREDIT BANK		09/13/2019	17,941,000.00	17,269,140.59	17,973,726.72	1.850	1.705	AA+	Aaa 07/26/2024
3133EKHV1	17655	FEDERAL FARM CREDIT BANK		10/16/2019	2,292,000.00	2,234,996.88	2,315,087.89	2.450	1.646	AA+	Aaa 07/22/2024
3133ELCS1	17666	FEDERAL FARM CREDIT BANK		12/11/2019	20,000,000.00	19,451,055.20	19,986,400.00	1.550	1.625	AA+	Aaa 03/11/2024
3133ELCS1	17667	FEDERAL FARM CREDIT BANK		12/11/2019	25,000,000.00	24,313,819.00	24,982,222.22	1.550	1.628	AA+	Aaa 03/11/2024
3133ELEM2	17674	FEDERAL FARM CREDIT BANK		12/17/2019	25,000,000.00	24,242,288.50	25,000,000.00	1.700	1.700	AA+	Aaa 05/17/2024
3133ELZM9	17711	FEDERAL FARM CREDIT BANK		05/19/2020	45,559,000.00	42,223,665.25	45,483,919.00	0.500	0.579	AA+	Aaa 05/14/2025
3133ELJM7	17712	FEDERAL FARM CREDIT BANK		05/19/2020	10,000,000.00	9,529,761.70	10,194,477.20	1.650	0.561	AA+	Aaa 01/23/2025
3133EMPC0	17783	FEDERAL FARM CREDIT BANK		01/29/2021	125,000,000.00	113,298,187.50	124,986,073.19	0.460	0.464	AA+	Aaa 01/29/2026
3133EMP48	17825	FEDERAL FARM CREDIT BANK		07/01/2021	30,000,000.00	27,198,678.60	29,980,695.00	0.900	0.920	AA+	Aaa 07/01/2026
3133EMP48	17826	FEDERAL FARM CREDIT BANK		07/01/2021	20,000,000.00	18,132,452.40	19,986,090.00	0.900	0.922	AA+	Aaa 07/01/2026
3133EM4A7	17837	FEDERAL FARM CREDIT BANK		08/27/2021	50,000,000.00	44,959,315.00	49,991,656.39	0.800	0.805	AA+	Aaa 08/27/2026
3133ENKV1	17879	FEDERAL FARM CREDIT BANK		01/27/2022	50,000,000.00	45,755,403.00	49,702,586.79	1.500	1.664	AA+	Aaa 01/13/2027
3133ENKV1	17880	FEDERAL FARM CREDIT BANK		01/27/2022	50,000,000.00	45,755,403.00	49,719,516.46	1.500	1.655	AA+	Aaa 01/13/2027
3133ENNS5	17882	FEDERAL FARM CREDIT BANK		02/28/2022	50,000,000.00	46,198,295.00	49,751,661.91	1.800	1.935	AA+	Aaa 02/16/2027
3133ENRD4	17893	FEDERAL FARM CREDIT BANK		03/15/2022	10,000,000.00	9,185,543.70	9,812,960.78	1.680	2.183	AA+	Aaa 03/10/2027
3133ENJ50	17906	FEDERAL FARM CREDIT BANK		08/26/2022	13,000,000.00	12,583,162.41	12,946,999.36	3.125	3.226	AA+	Aaa 08/26/2027
3133EHYG2	17917	FEDERAL FARM CREDIT BANK		09/13/2022	19,500,000.00	18,320,282.37	18,745,751.70	2.430	3.382	AA+	Aaa 09/13/2027
3133ENP53	17932	FEDERAL FARM CREDIT BANK		09/27/2022	25,000,000.00	24,826,520.75	24,969,528.33	3.750	3.782	AA+	Aaa 07/27/2027
3133ENP53	17938	FEDERAL FARM CREDIT BANK		09/28/2022	50,000,000.00	49,653,041.50	49,325,748.25	3.750	4.098	AA+	Aaa 07/27/2027
3133ENR36	17943	FEDERAL FARM CREDIT BANK		10/06/2022	25,000,000.00	25,122,055.25	24,971,819.41	4.050	4.080	AA+	Aaa 07/27/2027

Portfolio FSNO

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Run Date: 04/18/2023 - 07:49

County of Fresno
Portfolio Management
Portfolio Details - Investments
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's	Maturity Date
Federal Agency Coupons											
3133ENW22	17947	FEDERAL FARM CREDIT BANK		10/28/2022	25,000,000.00	25,487,295.75	24,998,363.93	4.430	4.433	AA+	Aaa 06/28/2027
3133EN5N6	17977	FEDERAL FARM CREDIT BANK		02/07/2023	30,000,000.00	30,227,903.70	30,252,128.24	4.000	3.884	AA+	Aaa 01/06/2028
3133EPAU9	17978	FEDERAL FARM CREDIT BANK		02/14/2023	20,000,000.00	20,048,603.40	19,928,034.68	3.875	3.968	AA+	Aaa 07/14/2027
3133EPAV7	17984	FEDERAL FARM CREDIT BANK		02/15/2023	20,000,000.00	20,069,678.60	19,885,805.81	3.875	4.008	AA+	Aaa 02/14/2028
3133EPAV7	17985	FEDERAL FARM CREDIT BANK		02/15/2023	47,000,000.00	47,163,744.71	46,733,658.77	3.875	4.007	AA+	Aaa 02/14/2028
3133EPAV7	17989	FEDERAL FARM CREDIT BANK		02/16/2023	5,000,000.00	5,017,419.65	4,948,944.63	3.875	4.114	AA+	Aaa 02/14/2028
3130AEEW6	17572	FEDERAL HOME LOAN BANK		06/07/2018	21,150,000.00	21,081,858.30	21,145,750.49	2.760	2.893	AA+	Aaa 05/30/2023
3130AEP5	17576	FEDERAL HOME LOAN BANK		05/30/2018	50,000,000.00	49,847,797.50	49,999,165.81	2.875	2.886	AA+	Aaa 05/30/2023
3130AFBD8	17608	FEDERAL HOME LOAN BANK		12/20/2018	12,500,000.00	12,437,336.38	12,512,978.26	3.125	2.774	AA+	Aaa 07/25/2023
3130AOF70	17613	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	9,899,848.50	10,041,147.95	3.375	2.730	AA+	Aaa 12/08/2023
3130AFQL4	17614	FEDERAL HOME LOAN BANK		01/18/2019	10,000,000.00	9,880,578.50	9,996,880.64	2.640	2.699	AA+	Aaa 10/27/2023
3130AFQL4	17619	FEDERAL HOME LOAN BANK		02/26/2019	4,905,000.00	4,846,423.75	4,906,502.72	2.640	2.583	AA+	Aaa 10/27/2023
3130AFRW9	17621	FEDERAL HOME LOAN BANK		02/28/2019	20,000,000.00	19,836,111.80	20,009,656.63	2.700	2.574	AA+	Aaa 08/28/2023
3130AFRW9	17623	FEDERAL HOME LOAN BANK		03/01/2019	20,000,000.00	19,836,111.80	20,007,227.27	2.700	2.606	AA+	Aaa 08/28/2023
3130AOF70	17632	FEDERAL HOME LOAN BANK		04/04/2019	11,200,000.00	11,087,830.32	11,272,404.44	3.375	2.373	AA+	Aaa 12/08/2023
3130AGA88	17633	FEDERAL HOME LOAN BANK		04/05/2019	50,000,000.00	49,086,975.50	49,993,512.40	2.320	2.337	AA+	Aaa 01/29/2024
3133X8EW8	17651	FEDERAL HOME LOAN BANK		09/26/2019	3,760,000.00	3,798,167.87	3,943,748.23	5.375	1.653	AA+	Aaa 08/15/2024
3130A2UW4	17654	FEDERAL HOME LOAN BANK		10/15/2019	10,000,000.00	9,803,835.30	10,167,317.53	2.875	1.668	AA+	Aaa 09/13/2024
3130AGWK7	17658	FEDERAL HOME LOAN BANK		10/23/2019	10,000,000.00	9,595,319.20	9,978,654.18	1.500	1.662	AA+	Aaa 08/15/2024
3130AGWK7	17662	FEDERAL HOME LOAN BANK		11/05/2019	12,500,000.00	11,994,149.00	12,475,167.17	1.500	1.651	AA+	Aaa 08/15/2024
3130AGWK7	17676	FEDERAL HOME LOAN BANK		12/18/2019	10,000,000.00	9,595,319.20	9,969,658.91	1.500	1.731	AA+	Aaa 08/15/2024
3130A3GE8	17693	FEDERAL HOME LOAN BANK		02/05/2020	5,000,000.00	4,866,770.40	5,101,916.56	2.750	1.502	AA+	Aaa 12/13/2024
3130AN6L9	17828	FEDERAL HOME LOAN BANK		07/14/2021	10,750,000.00	9,736,281.56	10,741,071.14	0.820	0.846	AA+	Aaa 07/08/2026
3133XG6E9	17829	FEDERAL HOME LOAN BANK		07/14/2021	15,000,000.00	15,764,237.55	17,297,778.15	5.750	0.848	AA+	Aaa 06/12/2026
3130AN4T4	17830	FEDERAL HOME LOAN BANK		07/14/2021	22,000,000.00	19,950,545.56	22,017,000.69	0.875	0.850	AA+	Aaa 06/12/2026
3130AN4T4	17831	FEDERAL HOME LOAN BANK		08/09/2021	9,250,000.00	8,388,297.57	9,277,242.97	0.875	0.781	AA+	Aaa 06/12/2026
3130AN4T4	17832	FEDERAL HOME LOAN BANK		08/09/2021	12,000,000.00	10,882,115.76	12,034,074.35	0.875	0.784	AA+	Aaa 06/12/2026
3130AN4T4	17833	FEDERAL HOME LOAN BANK		08/11/2021	50,000,000.00	45,342,149.00	50,089,151.26	0.875	0.818	AA+	Aaa 06/12/2026
3130A8XY4	17845	FEDERAL HOME LOAN BANK		09/20/2021	6,515,000.00	6,062,030.62	6,730,519.55	1.875	0.891	AA+	Aaa 09/11/2026
3130A8XY4	17848	FEDERAL HOME LOAN BANK		09/23/2021	13,980,000.00	13,008,010.44	14,448,573.95	1.875	0.878	AA+	Aaa 09/11/2026
3130AQF65	17868	FEDERAL HOME LOAN BANK		12/22/2021	100,000,000.00	90,982,210.00	99,798,813.79	1.250	1.305	AA+	Aaa 12/21/2026
3130AQF65	17869	FEDERAL HOME LOAN BANK		12/22/2021	24,860,000.00	22,618,177.41	24,810,873.93	1.250	1.304	AA+	Aaa 12/21/2026
3130AQF65	17872	FEDERAL HOME LOAN BANK		01/06/2022	24,300,000.00	22,108,677.03	24,145,070.55	1.250	1.428	AA+	Aaa 12/21/2026
3130ASVS5	17918	FEDERAL HOME LOAN BANK		09/12/2022	15,650,000.00	15,137,627.92	15,405,741.19	3.000	3.384	AA+	Aaa 09/10/2027
3130AU2B9	17955	FEDERAL HOME LOAN BANK		12/05/2022	50,000,000.00	50,523,106.00	49,945,180.88	4.000	4.029	AA+	Aaa 06/04/2027
3130AU2J2	17956	FEDERAL HOME LOAN BANK		12/06/2022	15,000,000.00	15,137,330.25	14,951,270.73	4.000	4.085	AA+	Aaa 07/06/2027

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Federal Agency Coupons											
3130AUTA2	17971	FEDERAL HOME LOAN BANK		02/07/2023	50,000,000.00	49,570,792.50	49,409,967.46	3.625	3.900	AA+	Aaa 01/07/2028
3130AUSN5	17982	FEDERAL HOME LOAN BANK		02/14/2023	12,940,000.00	12,770,132.61	12,675,083.31	3.500	4.023	AA+	Aaa 10/01/2027
3130AUZK3	17990	FEDERAL HOME LOAN BANK		02/17/2023	60,000,000.00	60,631,570.20	59,830,593.90	4.050	4.117	AA+	Aaa 01/03/2028
3130AUZK3	17993	FEDERAL HOME LOAN BANK		02/22/2023	26,875,000.00	27,157,890.82	26,726,047.26	4.050	4.194	AA+	Aaa 01/03/2028
3137EAEU9	17724	FEDERAL HOME MORTGAGE CO		07/23/2020	65,000,000.00	59,765,920.50	64,850,572.30	0.375	0.476	AA+	Aaa 07/21/2025
3137EAEU9	17731	FEDERAL HOME MORTGAGE CO		09/10/2020	30,000,000.00	27,584,271.00	29,962,458.02	0.375	0.430	AA+	Aaa 07/21/2025
3137EAX3	17741	FEDERAL HOME MORTGAGE CO		10/08/2020	50,000,000.00	45,650,655.50	49,867,924.03	0.375	0.483	AA+	Aaa 09/23/2025
3135G0U43	17631	FEDERAL NATIONAL MORTGAGE		03/27/2019	20,000,000.00	19,819,311.80	20,053,335.64	2.875	2.245	AA+	Aaa 09/12/2023
3135G0V75	17652	FEDERAL NATIONAL MORTGAGE		09/26/2019	35,000,000.00	33,757,155.60	35,050,050.22	1.750	1.631	AA+	Aaa 07/02/2024
3135G0V75	17656	FEDERAL NATIONAL MORTGAGE		10/16/2019	10,000,000.00	9,644,901.60	10,013,295.99	1.750	1.639	AA+	Aaa 07/02/2024
3135G0V75	17659	FEDERAL NATIONAL MORTGAGE		10/23/2019	10,000,000.00	9,644,901.60	10,009,781.01	1.750	1.668	AA+	Aaa 07/02/2024
3135G0V75	17660	FEDERAL NATIONAL MORTGAGE		10/28/2019	8,632,000.00	8,325,479.06	8,638,773.51	1.750	1.684	AA+	Aaa 07/02/2024
3135G0V75	17661	FEDERAL NATIONAL MORTGAGE		11/05/2019	23,000,000.00	22,183,273.68	23,024,865.51	1.750	1.660	AA+	Aaa 07/02/2024
3135G0V75	17663	FEDERAL NATIONAL MORTGAGE		11/08/2019	25,000,000.00	24,112,254.00	24,974,607.68	1.750	1.835	AA+	Aaa 07/02/2024
3135G0V75	17668	FEDERAL NATIONAL MORTGAGE		12/06/2019	25,000,000.00	24,112,254.00	25,023,084.30	1.750	1.673	AA+	Aaa 07/02/2024
3135G0V75	17669	FEDERAL NATIONAL MORTGAGE		12/06/2019	15,000,000.00	14,467,352.40	15,014,758.88	1.750	1.668	AA+	Aaa 07/02/2024
3135G0V75	17670	FEDERAL NATIONAL MORTGAGE		12/09/2019	15,000,000.00	14,467,352.40	15,006,135.03	1.750	1.716	AA+	Aaa 07/02/2024
3135G0V75	17671	FEDERAL NATIONAL MORTGAGE		12/09/2019	25,000,000.00	24,112,254.00	25,010,705.42	1.750	1.714	AA+	Aaa 07/02/2024
3135G0V75	17673	FEDERAL NATIONAL MORTGAGE		12/12/2019	25,000,000.00	24,112,254.00	25,009,006.25	1.750	1.720	AA+	Aaa 07/02/2024
3135G0V75	17675	FEDERAL NATIONAL MORTGAGE		12/13/2019	20,000,000.00	19,289,803.20	19,995,377.18	1.750	1.769	AA+	Aaa 07/02/2024
3135G0X24	17680	FEDERAL NATIONAL MORTGAGE		01/10/2020	50,000,000.00	47,774,776.00	49,924,968.28	1.625	1.714	AA+	Aaa 01/07/2025
3135G05X7	17730	FEDERAL NATIONAL MORTGAGE		08/27/2020	125,000,000.00	114,370,063.75	124,718,887.65	0.375	0.470	AA+	Aaa 08/25/2025
3135G04Z3	17732	FEDERAL NATIONAL MORTGAGE		09/11/2020	20,000,000.00	18,471,554.60	20,028,407.37	0.500	0.435	AA+	Aaa 06/17/2025
3135G04Z3	17733	FEDERAL NATIONAL MORTGAGE		09/24/2020	50,000,000.00	46,178,886.50	50,080,885.38	0.500	0.426	AA+	Aaa 06/17/2025
3135G04Z3	17734	FEDERAL NATIONAL MORTGAGE		09/28/2020	20,000,000.00	18,471,554.60	20,042,165.98	0.500	0.404	AA+	Aaa 06/17/2025
3135G04Z3	17735	FEDERAL NATIONAL MORTGAGE		09/28/2020	50,000,000.00	46,178,886.50	50,105,016.72	0.500	0.404	AA+	Aaa 06/17/2025
3135G04Z3	17736	FEDERAL NATIONAL MORTGAGE		10/01/2020	75,000,000.00	69,268,329.75	75,150,939.62	0.500	0.408	AA+	Aaa 06/17/2025
3135G04Z3	17746	FEDERAL NATIONAL MORTGAGE		11/24/2020	10,000,000.00	9,235,777.30	10,010,707.00	0.500	0.451	AA+	Aaa 06/17/2025
3135G05X7	17747	FEDERAL NATIONAL MORTGAGE		11/24/2020	10,000,000.00	9,149,605.10	9,974,650.61	0.375	0.482	AA+	Aaa 08/25/2025
3135G05X7	17748	FEDERAL NATIONAL MORTGAGE		11/24/2020	10,000,000.00	9,149,605.10	9,974,600.12	0.375	0.482	AA+	Aaa 08/25/2025
3135G06G3	17754	FEDERAL NATIONAL MORTGAGE		12/07/2020	25,000,000.00	22,857,199.25	24,989,093.22	0.500	0.517	AA+	Aaa 11/07/2025
742651DP4	17643	PRIVATE EXPORT FUNDING CO		07/15/2019	10,000,000.00	9,724,651.30	10,054,803.56	2.450	2.001		Aaa 07/15/2024
742651DP4	17644	PRIVATE EXPORT FUNDING CO		07/15/2019	10,000,000.00	9,724,651.30	10,053,697.69	2.450	2.010		Aaa 07/15/2024
Subtotal and Average			2,684,000,907.93		2,684,864,000.00	2,558,364,019.82	2,683,961,218.14		1.864		

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Medium Term Notes											
02079KAH0	17773	ALPHABET INC		01/19/2021	20,000,000.00	18,331,050.80	19,943,872.59	0.450	0.570	AA+	Aa2 08/15/2025
02079KAH0	17776	ALPHABET INC		01/20/2021	5,000,000.00	4,582,762.70	4,989,469.06	0.450	0.540	AA+	Aa2 08/15/2025
02079KAH0	17777	ALPHABET INC		01/20/2021	5,000,000.00	4,582,762.70	4,989,461.28	0.450	0.540	AA+	Aa2 08/15/2025
02079KAJ6	17927	ALPHABET INC		09/12/2022	5,000,000.00	4,378,974.45	4,437,914.21	0.800	3.631	AA+	Aa2 08/15/2027
02079KAJ6	17929	ALPHABET INC		09/15/2022	5,000,000.00	4,378,974.45	4,401,768.84	0.800	3.828	AA+	Aa2 08/15/2027
02079KAJ6	17945	ALPHABET INC		10/14/2022	7,500,000.00	6,568,461.68	6,437,366.92	0.800	4.436	AA+	Aa2 08/15/2027
037833AK6	17563	APPLE INC		05/03/2018	5,000,000.00	4,990,791.60	4,996,423.11	2.400	3.279	AA+	Aaa 05/03/2023
037833AK6	17564	APPLE INC		05/03/2018	5,000,000.00	4,990,791.60	4,996,419.56	2.400	3.280	AA+	Aaa 05/03/2023
037833AK6	17581	APPLE INC		06/22/2018	10,000,000.00	9,981,583.20	9,993,091.95	2.400	3.246	AA+	Aaa 05/03/2023
037833DX5	17729	APPLE INC		08/20/2020	10,000,000.00	9,207,927.90	9,988,737.56	0.550	0.598	AA+	Aaa 08/20/2025
037833DX5	17772	APPLE INC		01/19/2021	15,000,000.00	13,811,891.85	14,979,903.77	0.550	0.607	AA+	Aaa 08/20/2025
037833DX5	17782	APPLE INC		01/25/2021	10,000,000.00	9,207,927.90	9,992,945.23	0.550	0.580	AA+	Aaa 08/20/2025
037833EB2	17785	APPLE INC		02/08/2021	10,000,000.00	9,091,395.80	9,987,162.50	0.700	0.746	AA+	Aaa 02/08/2026
037833EB2	17787	APPLE INC		02/08/2021	20,000,000.00	18,182,791.60	19,975,922.56	0.700	0.743	AA+	Aaa 02/08/2026
037833CR9	17895	APPLE INC		06/13/2022	10,000,000.00	9,717,778.80	9,918,298.64	3.200	3.417	AA+	Aaa 05/11/2027
037833CR9	17899	APPLE INC		07/01/2022	5,000,000.00	4,858,889.40	4,913,610.29	3.200	3.662	AA+	Aaa 05/11/2027
037833CR9	17902	APPLE INC		07/27/2022	10,000,000.00	9,717,778.80	9,979,310.90	3.200	3.254	AA+	Aaa 05/11/2027
037833CR9	17903	APPLE INC		07/27/2022	5,000,000.00	4,858,889.40	4,993,175.17	3.200	3.235	AA+	Aaa 05/11/2027
037833CR9	17905	APPLE INC		08/23/2022	10,000,000.00	9,717,778.80	9,905,979.03	3.200	3.449	AA+	Aaa 05/11/2027
037833CX6	17921	APPLE INC		09/02/2022	10,000,000.00	9,651,807.40	9,772,897.19	3.000	3.590	AA+	Aaa 06/20/2027
037833DB3	17925	APPLE INC		09/12/2022	25,000,000.00	23,898,286.75	24,030,950.28	2.900	3.867	AA+	Aaa 09/12/2027
037833DB3	17962	APPLE INC		12/20/2022	10,000,000.00	9,559,314.70	9,504,611.84	2.900	4.137	AA+	Aaa 09/12/2027
037833EC0	17979	APPLE INC		02/10/2023	10,000,000.00	8,806,923.50	8,674,472.14	1.200	4.263	AA+	Aaa 02/08/2028
037833EC0	17983	APPLE INC		02/15/2023	5,000,000.00	4,403,461.75	4,309,479.39	1.200	4.406	AA+	Aaa 02/08/2028
037833EC0	17986	APPLE INC		02/16/2023	10,000,000.00	8,806,923.50	8,602,220.00	1.200	4.449	AA+	Aaa 02/08/2028
037833EC0	17996	APPLE INC		03/02/2023	15,000,000.00	13,210,385.25	12,768,344.43	1.200	4.688	AA+	Aaa 02/08/2028
084664CZ2	17890	BERKSHIRE HATHAWAY		03/15/2022	60,000,000.00	56,762,310.00	59,990,981.33	2.300	2.304	AA	Aa2 03/15/2027
084664CZ2	17891	BERKSHIRE HATHAWAY		03/15/2022	10,000,000.00	9,460,385.00	9,940,745.78	2.300	2.460	AA	Aa2 03/15/2027
166764BW9	17710	CHEVRON CORP		05/11/2020	5,000,000.00	4,713,203.70	5,000,000.00	1.554	1.554	AA-	Aa2 05/11/2025
166756AE6	17725	CHEVRON CORP		08/12/2020	3,000,000.00	2,751,138.72	3,000,000.00	0.687	0.687	AA-	Aa2 08/12/2025
166756AE6	17726	CHEVRON CORP		08/13/2020	4,500,000.00	4,126,708.08	4,498,641.90	0.687	0.700	AA-	Aa2 08/12/2025
166756AE6	17727	CHEVRON CORP		08/13/2020	9,000,000.00	8,253,416.16	8,997,275.29	0.687	0.700	AA-	Aa2 08/12/2025
166756AE6	17728	CHEVRON CORP		08/13/2020	5,000,000.00	4,585,231.20	4,998,486.27	0.687	0.700	AA-	Aa2 08/12/2025
166756AE6	17745	CHEVRON CORP		11/05/2020	10,000,000.00	9,170,462.40	9,983,535.11	0.687	0.758	AA-	Aa2 08/12/2025
166756AL0	17904	CHEVRON CORP		08/23/2022	5,000,000.00	4,401,324.85	4,499,058.24	1.018	3.542	AA-	Aa2 08/12/2027
166756AL0	17915	CHEVRON CORP		08/31/2022	10,000,000.00	8,802,649.70	8,950,314.43	1.018	3.670	AA-	Aa2 08/12/2027

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Medium Term Notes												
166764BX7	17919	CHEVRON CORP		09/02/2022	10,000,000.00	9,151,832.10	9,356,703.85	1.995	3.714	AA-	Aa2	05/11/2027
166756AL0	17920	CHEVRON CORP		09/02/2022	15,000,000.00	13,203,974.55	13,370,374.34	1.018	3.770	AA-	Aa2	08/12/2027
166756AL0	17930	CHEVRON CORP		09/16/2022	8,823,000.00	7,766,577.83	7,762,944.73	1.018	4.084	AA-	Aa2	08/12/2027
166756AL0	17933	CHEVRON CORP		09/23/2022	5,000,000.00	4,401,324.85	4,360,212.71	1.018	4.300	AA-	Aa2	08/12/2027
166756AL0	17946	CHEVRON CORP		10/14/2022	5,000,000.00	4,401,324.85	4,274,592.11	1.018	4.780	AA-	Aa2	08/12/2027
166764BX7	17957	CHEVRON CORP		12/02/2022	5,000,000.00	4,575,916.05	4,548,240.51	1.995	4.474	AA-	Aa2	05/11/2027
166756AL0	17958	CHEVRON CORP		12/08/2022	5,000,000.00	4,401,324.85	4,375,508.84	1.018	4.200	AA-	Aa2	08/12/2027
166764BX7	17959	CHEVRON CORP		12/08/2022	5,000,000.00	4,575,916.05	4,584,854.38	1.995	4.273	AA-	Aa2	05/11/2027
166756AR7	17987	CHEVRON CORP		02/16/2023	17,000,000.00	16,757,325.51	16,566,622.87	3.850	4.527	AA-	Aa2	01/15/2028
166764BX7	17995	CHEVRON CORP		03/02/2023	20,000,000.00	18,303,664.20	18,099,083.32	1.995	4.737	AA-	Aa2	05/11/2027
17325FAS7	17702	CITIBANK		03/24/2020	5,000,000.00	4,931,576.95	4,973,514.60	3.650	4.365	A+	Aa3	01/23/2024
30231GBC5	17695	EXXON MOBIL		03/17/2020	5,000,000.00	4,826,564.90	4,993,068.75	2.019	2.125	AA-	Aa2	08/16/2024
30231GBC5	17696	EXXON MOBIL		03/17/2020	5,000,000.00	4,826,564.90	4,992,087.48	2.019	2.140	AA-	Aa2	08/16/2024
30231GBH4	17699	EXXON MOBIL		03/19/2020	5,000,000.00	4,864,311.35	5,000,000.00	2.992	2.992	AA-	Aa2	03/19/2025
24422ETT6	17650	JOHN DEERE		09/19/2019	7,059,000.00	6,879,203.32	7,092,906.19	2.650	2.236	A	A2	06/24/2024
24422EUR8	17665	JOHN DEERE		11/26/2019	5,000,000.00	4,938,320.80	5,052,744.91	3.450	2.024	A	A2	01/10/2024
24422EUR8	17672	JOHN DEERE		12/12/2019	3,306,000.00	3,265,217.71	3,340,865.49	3.450	2.025	A	A2	01/10/2024
24422EUR8	17678	JOHN DEERE		12/27/2019	6,413,000.00	6,333,890.26	6,478,609.09	3.450	2.067	A	A2	01/10/2024
24422EVC0	17681	JOHN DEERE		01/10/2020	3,925,000.00	3,776,837.84	3,923,608.03	2.050	2.071	A	A2	01/09/2025
24422EVC0	17683	JOHN DEERE		01/13/2020	10,000,000.00	9,622,516.80	9,995,136.85	2.050	2.079	A	A2	01/09/2025
24422EVC0	17686	JOHN DEERE		02/10/2020	10,000,000.00	9,622,516.80	10,037,440.72	2.050	1.828	A	A2	01/09/2025
24422EVC0	17688	JOHN DEERE		02/28/2020	5,000,000.00	4,811,258.40	5,039,320.26	2.050	1.587	A	A2	01/09/2025
24422EVC0	17689	JOHN DEERE		02/28/2020	10,000,000.00	9,622,516.80	10,079,496.77	2.050	1.582	A	A2	01/09/2025
24422EVC0	17697	JOHN DEERE		03/17/2020	5,000,000.00	4,811,258.40	5,020,764.47	2.050	1.804	A	A2	01/09/2025
24422EVC0	17701	JOHN DEERE		03/24/2020	4,500,000.00	4,330,132.56	4,429,881.03	2.050	3.000	A	A2	01/09/2025
24422EVC0	17755	JOHN DEERE		12/10/2020	8,210,000.00	7,900,086.29	8,421,063.14	2.050	0.580	A	A2	01/09/2025
24422EVK2	17774	JOHN DEERE		01/20/2021	9,200,000.00	8,340,570.96	9,183,687.66	0.700	0.765	A	A2	01/15/2026
24422EVK2	17775	JOHN DEERE		01/20/2021	4,510,000.00	4,088,692.94	4,503,958.41	0.700	0.749	A	A2	01/15/2026
24422EVK2	17778	JOHN DEERE		01/21/2021	10,000,000.00	9,065,838.00	9,994,515.50	0.700	0.720	A	A2	01/15/2026
24422EVK2	17779	JOHN DEERE		01/21/2021	5,000,000.00	4,532,919.00	4,997,257.75	0.700	0.720	A	A2	01/15/2026
24422EVK2	17781	JOHN DEERE		01/22/2021	5,000,000.00	4,532,919.00	4,995,212.38	0.700	0.735	A	A2	01/15/2026
478160CN2	17784	JOHNSON & JOHNSON		02/02/2021	5,000,000.00	4,593,592.55	5,000,000.00	0.550	0.550	AAA	Aaa	09/01/2025
478160CN2	17786	JOHNSON & JOHNSON		02/04/2021	5,000,000.00	4,593,592.55	5,000,000.00	0.550	0.550	AAA	Aaa	09/01/2025
478160CP7	17926	JOHNSON & JOHNSON		09/12/2022	5,000,000.00	4,422,632.00	4,461,968.53	0.950	3.635	AAA	Aaa	09/01/2027
478160CP7	17941	JOHNSON & JOHNSON		09/28/2022	5,000,000.00	4,422,632.00	4,311,448.39	0.950	4.457	AAA	Aaa	09/01/2027
478160CK8	17988	JOHNSON & JOHNSON		02/16/2023	5,000,000.00	4,786,708.95	4,710,401.16	2.900	4.313	AAA	Aaa	01/15/2028

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Medium Term Notes											
478160CK8	17994	JOHNSON & JOHNSON		03/02/2023	5,000,000.00	4,786,708.95	4,671,008.08	2.900	4.535	AAA	Aaa 01/15/2028
46632FPH2	17590	JP MORGAN		08/14/2018	30,000,000.00	29,823,300.00	30,000,000.00	3.450	3.450	A+	Aa2 07/14/2023
46632FPT6	17627	JP MORGAN		03/06/2019	30,000,000.00	29,452,500.00	30,000,000.00	3.050	3.050	A+	Aa2 01/26/2024
46632FPX7	17634	JP MORGAN		05/15/2019	40,000,000.00	38,935,600.00	40,000,000.00	2.775	2.775	A+	Aa2 05/15/2024
46632FRT4	17756	JP MORGAN		12/14/2020	60,000,000.00	55,189,140.60	60,000,000.00	0.580	0.580	A+	Aa2 05/29/2025
594918AT1	17580	MICROSOFT		06/22/2018	10,000,000.00	9,981,692.90	9,993,958.49	2.375	3.162	AAA	Aaa 05/01/2023
594918BQ6	17616	MICROSOFT		02/07/2019	2,880,000.00	2,850,976.77	2,873,066.13	2.000	2.730	AAA	Aaa 08/08/2023
594918BQ6	17617	MICROSOFT		02/11/2019	20,000,000.00	19,798,449.80	19,954,038.10	2.000	2.696	AAA	Aaa 08/08/2023
594918BQ6	17624	MICROSOFT		03/04/2019	10,000,000.00	9,899,224.90	9,975,731.37	2.000	2.735	AAA	Aaa 08/08/2023
594918BQ6	17625	MICROSOFT		03/04/2019	5,000,000.00	4,949,612.45	4,987,880.03	2.000	2.734	AAA	Aaa 08/08/2023
594918BX1	17629	MICROSOFT		03/07/2019	10,000,000.00	9,851,354.10	10,000,000.00	2.875	2.875	AAA	Aaa 02/06/2024
594918BY9	17961	MICROSOFT		12/19/2022	10,000,000.00	9,814,727.00	9,727,470.75	3.300	4.076	AAA	Aaa 02/06/2027
742718FL8	17780	PROCTER & GAMBLE		01/22/2021	12,200,000.00	11,167,714.45	12,200,000.00	0.550	0.550	AA-	Aa3 10/29/2025
742718EV7	17942	PROCTER & GAMBLE		10/05/2022	10,000,000.00	9,527,642.70	9,400,234.82	2.850	4.391	AA-	Aa3 08/11/2027
89236TFS9	17612	TOYOTA MOTOR CREDIT		01/09/2019	12,250,000.00	12,094,336.31	12,239,512.80	3.350	3.472	A+	A1 01/08/2024
89236TDK8	17628	TOYOTA MOTOR CREDIT		03/07/2019	3,000,000.00	2,957,970.00	2,987,636.32	2.250	3.063	A+	A1 10/18/2023
89236TDK8	17636	TOYOTA MOTOR CREDIT		05/30/2019	5,000,000.00	4,929,950.00	4,990,307.92	2.250	2.627	A+	A1 10/18/2023
89236TGM1	17653	TOYOTA MOTOR CREDIT		10/15/2019	30,000,000.00	28,845,418.50	30,000,000.00	1.875	1.875	A+	A1 07/31/2024
89236TGL3	17664	TOYOTA MOTOR CREDIT		11/12/2019	10,000,000.00	9,616,423.00	9,992,513.77	2.000	2.052	A+	A1 10/07/2024
89236TGL3	17682	TOYOTA MOTOR CREDIT		01/13/2020	21,410,000.00	20,588,761.64	21,396,210.90	2.000	2.044	A+	A1 10/07/2024
89236THP3	17743	TOYOTA MOTOR CREDIT		10/16/2020	7,000,000.00	6,378,462.23	6,994,093.17	0.800	0.834	A+	A1 10/16/2025
89236THW8	17767	TOYOTA MOTOR CREDIT		01/11/2021	5,000,000.00	4,525,294.35	4,996,752.89	0.800	0.824	A+	A1 01/09/2026
89236THW8	17768	TOYOTA MOTOR CREDIT		01/11/2021	5,000,000.00	4,525,294.35	4,998,085.04	0.800	0.814	A+	A1 01/09/2026
89236THW8	17769	TOYOTA MOTOR CREDIT		01/11/2021	5,500,000.00	4,977,823.79	5,497,612.68	0.800	0.816	A+	A1 01/09/2026
89236THW8	17770	TOYOTA MOTOR CREDIT		01/11/2021	5,270,000.00	4,769,660.24	5,267,855.85	0.800	0.815	A+	A1 01/09/2026
89236TJV8	17884	TOYOTA MOTOR CREDIT		03/07/2022	11,581,000.00	10,543,411.89	11,432,300.76	1.900	2.260	A+	A1 01/13/2027
89236THG3	17940	TOYOTA MOTOR CREDIT		09/28/2022	5,000,000.00	4,361,242.80	4,267,788.38	1.150	4.967	A+	A1 08/13/2027
89236TKL8	17950	TOYOTA MOTOR CREDIT		11/10/2022	30,000,000.00	31,135,523.70	29,965,437.50	5.450	5.479	A+	A1 11/10/2027
89236TKQ7	17981	TOYOTA MOTOR CREDIT		02/14/2023	20,000,000.00	20,205,829.20	20,045,037.72	4.625	4.668	A+	A1 01/12/2028
89236TKQ7	17991	TOYOTA MOTOR CREDIT		02/17/2023	11,860,000.00	11,982,056.72	11,845,677.43	4.625	4.759	A+	A1 01/12/2028
89236TKQ7	17992	TOYOTA MOTOR CREDIT		02/17/2023	5,000,000.00	5,051,457.30	4,996,740.77	4.625	4.746	A+	A1 01/12/2028
90331HNV1	17586	US BANK NA		07/25/2018	10,000,000.00	9,936,021.80	9,999,196.00	3.400	3.428	AA-	A1 07/24/2023
90331HNV1	17587	US BANK NA		07/25/2018	1,500,000.00	1,490,403.27	1,499,811.09	3.400	3.444	AA-	A1 07/24/2023
90331HNV1	17588	US BANK NA		07/25/2018	1,250,000.00	1,242,002.73	1,249,874.37	3.400	3.435	AA-	A1 07/24/2023
90331HPL1	17690	US BANK NA		02/28/2020	5,000,000.00	4,706,650.00	5,035,191.44	2.050	1.636	AA-	A1 01/21/2025
90331HPL1	17691	US BANK NA		03/12/2020	5,000,000.00	4,706,650.00	5,041,194.54	2.050	1.574	AA-	A1 01/21/2025

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Medium Term Notes											
90331HPL1	17692	US BANK NA		03/12/2020	5,000,000.00	4,706,650.00	5,038,260.43	2.050	1.608	AA-	A1 01/21/2025
931142EK5	17604	WALMART		11/13/2018	10,000,000.00	9,966,457.00	9,997,567.05	3.400	3.512	AA	Aa2 06/26/2023
931142ER0	17842	WALMART		09/17/2021	20,000,000.00	17,994,681.60	19,973,834.00	1.050	1.089	AA	Aa2 09/17/2026
931142ER0	17846	WALMART		09/21/2021	10,000,000.00	8,997,340.80	10,000,000.00	1.050	1.050	AA	Aa2 09/17/2026
931142ER0	17847	WALMART		09/21/2021	10,000,000.00	8,997,340.80	10,000,000.00	1.050	1.050	AA	Aa2 09/17/2026
931142ER0	17849	WALMART		09/27/2021	10,000,000.00	8,997,340.80	10,000,000.00	1.050	1.050	AA	Aa2 09/17/2026
931142CH4	17901	WALMART		07/18/2022	5,125,000.00	5,470,048.11	5,582,797.46	5.875	3.442	AA	Aa2 04/05/2027
931142EX7	17923	WALMART		09/09/2022	7,000,000.00	6,985,703.41	6,986,576.80	3.950	3.998	AA	Aa2 09/09/2027
931142EX7	17924	WALMART		09/09/2022	10,000,000.00	9,979,576.30	9,997,159.11	3.950	3.957	AA	Aa2 09/09/2027
931142EX7	17931	WALMART		09/22/2022	10,000,000.00	9,979,576.30	9,884,491.52	3.950	4.241	AA	Aa2 09/09/2027
Subtotal and Average			1,184,687,561.14		1,199,772,000.00	1,136,479,192.52	1,176,653,847.49		2.583		
Treasury Notes											
911759MW5	17630	US HOUSING AND URBAN DEVELOP		03/28/2019	3,500,000.00	3,476,139.17	3,500,000.00	2.618	2.618	AA+	Aaa 08/01/2023
912828XT2	17677	US TREASURY NOTE		12/18/2019	20,000,000.00	19,434,380.00	20,064,679.43	2.000	1.711	AA+	Aaa 05/31/2024
912828P46	17791	US TREASURY NOTE		02/26/2021	30,000,000.00	28,192,980.00	30,712,519.37	1.625	0.782	AA+	Aaa 02/15/2026
91282CBH3	17795	US TREASURY NOTE		03/08/2021	20,000,000.00	18,142,180.00	19,760,352.65	0.375	0.807	AA+	Aaa 01/31/2026
91282CBW0	17798	US TREASURY NOTE		05/03/2021	20,000,000.00	18,220,320.00	19,927,199.76	0.750	0.871	AA+	Aaa 04/30/2026
91282CBW0	17800	US TREASURY NOTE		05/12/2021	30,000,000.00	27,330,480.00	29,912,787.69	0.750	0.847	AA+	Aaa 04/30/2026
912828R36	17801	US TREASURY NOTE		05/18/2021	30,000,000.00	28,065,240.00	30,725,495.41	1.625	0.832	AA+	Aaa 05/15/2026
912828R36	17802	US TREASURY NOTE		05/19/2021	20,000,000.00	18,710,160.00	20,488,817.23	1.625	0.824	AA+	Aaa 05/15/2026
912828R36	17803	US TREASURY NOTE		05/20/2021	20,000,000.00	18,710,160.00	20,461,696.87	1.625	0.868	AA+	Aaa 05/15/2026
91282CCF6	17805	US TREASURY NOTE		06/16/2021	20,000,000.00	18,178,120.00	19,978,045.58	0.750	0.785	AA+	Aaa 05/31/2026
91282CCF6	17808	US TREASURY NOTE		06/17/2021	40,000,000.00	36,356,240.00	39,894,161.14	0.750	0.835	AA+	Aaa 05/31/2026
91282CCF6	17809	US TREASURY NOTE		06/17/2021	40,000,000.00	36,356,240.00	39,876,188.50	0.750	0.850	AA+	Aaa 05/31/2026
91282CCF6	17810	US TREASURY NOTE		06/17/2021	20,000,000.00	18,178,120.00	19,908,139.86	0.750	0.899	AA+	Aaa 05/31/2026
91282CCJ8	17823	US TREASURY NOTE		06/30/2021	30,000,000.00	27,331,650.00	29,919,331.22	0.875	0.960	AA+	Aaa 06/30/2026
91282CCJ8	17824	US TREASURY NOTE		06/30/2021	30,000,000.00	27,331,650.00	29,976,235.64	0.875	0.900	AA+	Aaa 06/30/2026
91282CCJ8	17827	US TREASURY NOTE		06/30/2021	30,000,000.00	27,331,650.00	29,943,675.55	0.875	0.934	AA+	Aaa 06/30/2026
91282CCW9	17836	US TREASURY NOTE		08/31/2021	50,000,000.00	45,148,450.00	49,933,115.47	0.750	0.790	AA+	Aaa 08/31/2026
91282CCP4	17838	US TREASURY NOTE		08/26/2021	50,000,000.00	45,064,450.00	49,677,790.80	0.625	0.823	AA+	Aaa 07/31/2026
91282CCP4	17839	US TREASURY NOTE		09/07/2021	50,000,000.00	45,064,450.00	49,750,074.28	0.625	0.778	AA+	Aaa 07/31/2026
91282CCP4	17840	US TREASURY NOTE		09/08/2021	25,000,000.00	22,532,225.00	24,853,685.03	0.625	0.804	AA+	Aaa 07/31/2026
91282CCW9	17843	US TREASURY NOTE		09/13/2021	20,000,000.00	18,059,380.00	19,954,826.25	0.750	0.818	AA+	Aaa 08/31/2026
91282CCW9	17844	US TREASURY NOTE		09/17/2021	20,000,000.00	18,059,380.00	19,945,024.88	0.750	0.832	AA+	Aaa 08/31/2026
91282CCZ2	17850	US TREASURY NOTE		09/30/2021	20,000,000.00	18,098,440.00	19,962,471.87	0.875	0.930	AA+	Aaa 09/30/2026

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Treasury Notes											
91282CCZ2	17851	US TREASURY NOTE		09/30/2021	30,000,000.00	27,147,660.00	29,834,322.80	0.875	1.037	AA+	Aaa 09/30/2026
91282CCZ2	17852	US TREASURY NOTE		09/30/2021	30,000,000.00	27,147,660.00	29,872,051.27	0.875	1.000	AA+	Aaa 09/30/2026
91282CCW9	17853	US TREASURY NOTE		10/12/2021	20,000,000.00	18,059,380.00	19,815,821.19	0.750	1.027	AA+	Aaa 08/31/2026
91282CCP4	17854	US TREASURY NOTE		10/19/2021	20,000,000.00	18,025,780.00	19,661,835.53	0.625	1.148	AA+	Aaa 07/31/2026
91282CCP4	17855	US TREASURY NOTE		10/25/2021	20,000,000.00	18,025,780.00	19,620,780.35	0.625	1.212	AA+	Aaa 07/31/2026
91282CCP4	17856	US TREASURY NOTE		10/28/2021	5,000,000.00	4,506,445.00	4,918,441.91	0.625	1.129	AA+	Aaa 07/31/2026
91282CDG3	17859	US TREASURY NOTE		11/01/2021	30,000,000.00	27,338,670.00	29,908,449.69	1.125	1.213	AA+	Aaa 10/31/2026
91282CDG3	17860	US TREASURY NOTE		11/01/2021	20,000,000.00	18,225,780.00	19,931,357.90	1.125	1.224	AA+	Aaa 10/31/2026
91282CDG3	17861	US TREASURY NOTE		11/01/2021	50,000,000.00	45,564,450.00	49,861,311.01	1.125	1.205	AA+	Aaa 10/31/2026
91282CCP4	17862	US TREASURY NOTE		11/01/2021	20,000,000.00	18,025,780.00	19,640,096.65	0.625	1.182	AA+	Aaa 07/31/2026
91282CDG3	17864	US TREASURY NOTE		11/23/2021	20,000,000.00	18,225,780.00	19,871,813.47	1.125	1.310	AA+	Aaa 07/31/2026
91282CCP4	17867	US TREASURY NOTE		12/21/2021	50,000,000.00	45,064,450.00	49,155,426.04	0.625	1.146	AA+	Aaa 07/31/2026
91282CDQ1	17870	US TREASURY NOTE		12/31/2021	50,000,000.00	45,632,800.00	49,981,877.14	1.250	1.260	AA+	Aaa 12/31/2026
91282CDQ1	17873	US TREASURY NOTE		01/06/2022	30,000,000.00	27,379,680.00	29,844,745.88	1.250	1.393	AA+	Aaa 12/31/2026
91282CDQ1	17874	US TREASURY NOTE		01/07/2022	30,000,000.00	27,379,680.00	29,759,929.91	1.250	1.472	AA+	Aaa 12/31/2026
91282CDG3	17875	US TREASURY NOTE		01/10/2022	30,000,000.00	27,338,670.00	29,606,670.67	1.125	1.506	AA+	Aaa 10/31/2026
91282CDG3	17877	US TREASURY NOTE		01/19/2022	30,000,000.00	27,338,670.00	29,474,614.74	1.125	1.635	AA+	Aaa 10/31/2026
912828Z78	17878	US TREASURY NOTE		01/31/2022	50,000,000.00	45,988,300.00	49,763,294.30	1.500	1.629	AA+	Aaa 01/31/2027
912828Z78	17883	US TREASURY NOTE		02/28/2022	20,000,000.00	18,395,320.00	19,696,842.85	1.500	1.916	AA+	Aaa 01/31/2027
912828X88	17897	US TREASURY NOTE		06/22/2022	50,000,000.00	47,443,350.00	48,053,516.50	2.375	3.408	AA+	Aaa 05/15/2027
912828X88	17898	US TREASURY NOTE		06/22/2022	50,000,000.00	47,443,350.00	48,053,516.50	2.375	3.408	AA+	Aaa 05/15/2027
91282CFB2	17922	US TREASURY NOTE		09/07/2022	50,000,000.00	48,103,500.00	48,582,957.56	2.750	3.466	AA+	Aaa 07/31/2027
91282CFB2	17928	US TREASURY NOTE		09/14/2022	30,000,000.00	28,862,100.00	28,967,391.91	2.750	3.623	AA+	Aaa 07/31/2027
91282CFB2	17934	US TREASURY NOTE		09/26/2022	30,000,000.00	28,862,100.00	28,505,556.64	2.750	4.026	AA+	Aaa 07/31/2027
912828X88	17954	US TREASURY NOTE		11/22/2022	50,000,000.00	47,443,350.00	46,887,546.04	2.375	4.053	AA+	Aaa 05/15/2027
912828ZV5	17960	US TREASURY NOTE		12/13/2022	30,000,000.00	26,247,660.00	26,091,112.10	0.500	3.873	AA+	Aaa 06/30/2027
91282CEW7	17963	US TREASURY NOTE		12/23/2022	30,000,000.00	29,453,910.00	29,321,437.50	3.250	3.835	AA+	Aaa 06/30/2027
912810FA1	17964	US TREASURY NOTE		12/23/2022	25,000,000.00	27,667,000.00	27,523,267.06	6.375	3.833	AA+	Aaa 08/15/2027
912810FA1	17965	US TREASURY NOTE		12/23/2022	25,000,000.00	27,667,000.00	27,523,267.06	6.375	3.833	AA+	Aaa 08/15/2027
912810FA1	17966	US TREASURY NOTE		12/23/2022	30,000,000.00	33,200,400.00	33,041,162.11	6.375	3.823	AA+	Aaa 08/15/2027
91282CFB2	17967	US TREASURY NOTE		12/27/2022	30,000,000.00	28,862,100.00	28,633,614.71	2.750	3.908	AA+	Aaa 07/31/2027
91282CFB2	17968	US TREASURY NOTE		12/28/2022	50,000,000.00	48,103,500.00	47,599,655.99	2.750	3.972	AA+	Aaa 07/31/2027
91282CFB2	17969	US TREASURY NOTE		12/28/2022	50,000,000.00	48,103,500.00	47,548,035.69	2.750	3.999	AA+	Aaa 07/31/2027
91282CAU5	17970	US TREASURY NOTE		12/29/2022	30,000,000.00	26,005,080.00	25,690,236.98	0.500	3.999	AA+	Aaa 10/31/2027
91282CFU0	17997	US TREASURY NOTE		03/03/2023	30,000,000.00	30,547,260.00	30,081,812.21	4.125	4.399	AA+	Aaa 10/31/2027
Subtotal and Average			1,759,288,045.25		1,783,500,000.00	1,662,198,379.17	1,761,450,084.34		1.966		

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P	Moody's	Maturity Date
Certificates of Deposit												
SYS16602	16602	BANK OF THE WEST		08/24/2022	10,000,000.00	10,000,000.00	10,000,000.00	3.230	3.230			08/24/2024
Subtotal and Average			10,000,000.00		10,000,000.00	10,000,000.00	10,000,000.00		3.230			
Mutual Funds												
SYS16455	16455	BLACKROCK T-FUND INST		07/01/2022	0.00	0.00	0.00	2.858	2.858	AAA	Aaa	
SYS16450	16450	BLACKROCK LIQUIDITY FED FUND		07/01/2022	0.00	0.00	0.00	0.040	0.040	AAA	Aaa	
SYS02642	02642	FIDELITY 2642			230,000,000.00	230,000,000.00	230,000,000.00	4.770	4.770	AAA	Aaa	
SYS15497	15497	FIDELITY 2644		07/01/2022	710,000,000.00	710,000,000.00	710,000,000.00	4.720	4.720	AAA	Aaa	
Subtotal and Average			766,290,322.58		940,000,000.00	940,000,000.00	940,000,000.00		4.732			
Local Agency Investment Funds												
SYS05291	05291	LAIF			5,000,000.00	5,000,000.00	5,000,000.00	2.831	2.831			
Subtotal and Average			5,000,000.00		5,000,000.00	5,000,000.00	5,000,000.00		2.831			
Bank Money Market Accounts												
SYS16800	16800	BANK OF THE WEST MM			200,000,000.00	200,000,000.00	200,000,000.00	4.350	4.350			
SYS16900	16900	CENTRAL VALLEY COMM. BANK MM			0.00	0.00	0.00	0.350	0.350			
SYS16500	16500	UNION BANK MM		07/01/2022	0.00	0.00	0.00	0.030	0.030			
SYS16950	16950	UNITED SECURITY BANK MM			0.00	0.00	0.00		0.000			
Subtotal and Average			174,677,419.35		200,000,000.00	200,000,000.00	200,000,000.00		4.350			
Municipal Bonds												
13063DRK6	17657	STATE OF CALIFORNIA		10/24/2019	50,000,000.00	48,481,500.00	50,349,009.57	2.400	1.910	AA-	Aa2	10/01/2024
13063DLZ9	17742	STATE OF CALIFORNIA		10/15/2020	22,790,000.00	22,393,454.00	23,359,567.09	3.000	0.477	AA-	Aa2	04/01/2024
13063DYW2	17744	STATE OF CALIFORNIA		11/03/2020	50,685,000.00	49,150,765.05	53,639,323.78	3.000	0.700	AA-	Aa2	11/01/2025
13063DGB8	17766	STATE OF CALIFORNIA		01/11/2021	7,500,000.00	7,358,100.00	7,903,294.74	3.375	0.645	AA-	Aa2	04/01/2025
13063DK31	17863	STATE OF CALIFORNIA		11/17/2021	16,635,000.00	15,028,059.00	16,657,465.79	1.250	1.210	AA-	Aa2	10/01/2026
13063DMA3	17866	STATE OF CALIFORNIA		12/17/2021	10,000,000.00	9,555,000.00	10,394,997.41	2.650	1.292	AA-	Aa2	04/01/2026
13063DRD2	17871	STATE OF CALIFORNIA		01/05/2022	7,840,000.00	7,366,072.00	8,077,579.57	2.375	1.475	AA-	Aa2	10/01/2026
13063DRD2	17881	STATE OF CALIFORNIA		02/01/2022	16,175,000.00	15,197,221.25	16,508,245.44	2.375	1.759	AA-	Aa2	10/01/2026
13063DRD2	17892	STATE OF CALIFORNIA		03/11/2022	15,000,000.00	14,093,250.00	15,122,850.00	2.375	2.128	AA-	Aa2	10/01/2026
13063D2U1	17953	STATE OF CALIFORNIA		11/17/2022	58,115,000.00	60,339,642.20	59,103,160.42	5.250	4.823	AA-	Aa2	10/01/2027
13063D3A4	17980	STATE OF CALIFORNIA		02/14/2023	8,710,000.00	9,113,969.80	9,206,324.22	5.700	4.350	AA-	Aa2	10/01/2026
13063D3N6	18000	STATE OF CALIFORNIA		03/15/2023	22,000,000.00	22,428,780.00	22,000,000.00	4.846	4.847			03/01/2027
Subtotal and Average			282,495,898.51		285,450,000.00	280,505,813.30	292,321,818.03		2.355			

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's
Total and Average			6,891,787,699.64		7,190,929,954.58	6,874,891,359.39	7,151,730,922.58		2.472	

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	S&P Moody's
Average Balance			0.00							
Total Cash and Investments			6,891,787,699.64		7,190,929,954.58	6,874,891,359.39	7,151,730,922.58		2.472	

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CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
SYS02642	02642	TREAS	LA1	FIDELITY 2642	07/01/2022	230,000,000.00	4.770		230,000,000.00	1	230,000,000.00	4.705	4.770	1
SYS03400A	03400A	TREAS	PA1	BANK OF THE WEST	07/01/2022	82,343,954.58	1.480		82,343,954.58	1	82,343,954.58	1.460	1.480	1
SYS05291	05291	TREAS	LA5	LAIF	07/01/2022	5,000,000.00	2.831		5,000,000.00	1	5,000,000.00	2.792	2.831	1
SYS15497	15497	TREAS	LA1	FIDELITY 2644	07/01/2022	710,000,000.00	4.720		710,000,000.00	1	710,000,000.00	4.655	4.720	1
SYS16450	16450	TREAS	LA1	BLACKROCK LIQUIDITY	07/01/2022	0.00	0.040		0.00	1	0.00	0.039	0.040	1
SYS16455	16455	TREAS	LA1	BLACKROCK T-FUND INST	07/01/2022	0.00	2.858		0.00	1	0.00	2.819	2.858	1
SYS16500	16500	TREAS	LA3	UNION BANK MM	07/01/2022	0.00	0.030		0.00	1	0.00	0.030	0.030	1
SYS16800	16800	TREAS	LA3	BANK OF THE WEST MM	07/01/2022	200,000,000.00	4.350		200,000,000.00	1	200,000,000.00	4.290	4.350	1
SYS16900	16900	TREAS	LA3	CENTRAL VALLEY COMM.	07/01/2022	0.00	0.350		0.00	1	0.00	0.345	0.350	1
SYS16950	16950	TREAS	LA3	UNITED SECURITY BANK	07/01/2022	0.00			0.00	1	0.00			1
594918AT1	17580	TREAS	MTN	MICROSOFT	06/22/2018	9,993,958.49	2.375	05/01/2023	10,000,000.00	1,774	10,000,000.00	3.119	3.162	30
037833AK6	17563	TREAS	MTN	APPLE INC	05/03/2018	4,996,423.11	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.234	3.279	32
037833AK6	17564	TREAS	MTN	APPLE INC	05/03/2018	4,996,419.56	2.400	05/03/2023	5,000,000.00	1,826	5,000,000.00	3.235	3.280	32
037833AK6	17581	TREAS	MTN	APPLE INC	06/22/2018	9,993,091.95	2.400	05/03/2023	10,000,000.00	1,776	10,000,000.00	3.202	3.246	32
3130AEEW6	17572	TREAS	FAC	FEDERAL HOME LOAN	06/07/2018	21,145,750.49	2.760	05/30/2023	21,150,000.00	1,818	21,150,000.00	2.853	2.893	59
3130AEAP5	17576	TREAS	FAC	FEDERAL HOME LOAN	05/30/2018	49,999,165.81	2.875	05/30/2023	50,000,000.00	1,826	50,000,000.00	2.846	2.886	59
931142EK5	17604	TREAS	MTN	WALMART	11/13/2018	9,997,567.05	3.400	06/26/2023	10,000,000.00	1,686	10,000,000.00	3.464	3.512	86
46632FPH2	17590	TREAS	MTN	JP MORGAN	08/14/2018	30,000,000.00	3.450	07/14/2023	30,000,000.00	1,795	30,000,000.00	3.403	3.450	104
3133EJUS6	17584	TREAS	FAC	FEDERAL FARM CREDIT	07/17/2018	19,999,846.89	2.875	07/17/2023	20,000,000.00	1,826	20,000,000.00	2.838	2.878	107
3133EJUS6	17589	TREAS	FAC	FEDERAL FARM CREDIT	07/25/2018	29,994,303.68	2.875	07/17/2023	30,000,000.00	1,818	30,000,000.00	2.904	2.945	107
3133EJUS6	17593	TREAS	FAC	FEDERAL FARM CREDIT	09/19/2018	9,995,792.93	2.875	07/17/2023	10,000,000.00	1,762	10,000,000.00	2.988	3.029	107
3133EJUS6	17607	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	2,910,808.33	2.875	07/17/2023	2,910,000.00	1,670	2,910,000.00	2.736	2.774	107
3133EJUS6	17615	TREAS	FAC	FEDERAL FARM CREDIT	01/18/2019	20,010,802.96	2.875	07/17/2023	20,000,000.00	1,641	20,000,000.00	2.642	2.679	107
90331HNV1	17586	TREAS	MTN	US BANK NA	07/25/2018	9,999,196.00	3.400	07/24/2023	10,000,000.00	1,825	10,000,000.00	3.381	3.428	114
90331HNV1	17587	TREAS	MTN	US BANK NA	07/25/2018	1,499,811.09	3.400	07/24/2023	1,500,000.00	1,825	1,500,000.00	3.397	3.444	114
90331HNV1	17588	TREAS	MTN	US BANK NA	07/25/2018	1,249,874.37	3.400	07/24/2023	1,250,000.00	1,825	1,250,000.00	3.388	3.435	114
3133EJK57	17606	TREAS	FAC	FEDERAL FARM CREDIT	12/20/2018	17,015,181.01	3.080	07/24/2023	17,000,000.00	1,677	17,000,000.00	2.737	2.775	114
3130AFBD8	17608	TREAS	FAC	FEDERAL HOME LOAN	12/20/2018	12,512,978.26	3.125	07/25/2023	12,500,000.00	1,678	12,500,000.00	2.736	2.774	115
3133EJ4G1	17610	TREAS	FAC	FEDERAL FARM CREDIT	12/28/2018	64,996,626.15	2.770	07/28/2023	65,000,000.00	1,673	65,000,000.00	2.749	2.787	118
911759MW5	17630	TREAS	TRC	US HOUSING AND URBAN	03/28/2019	3,500,000.00	2.618	08/01/2023	3,500,000.00	1,587	3,500,000.00	2.583	2.618	122
594918BQ6	17616	TREAS	MTN	MICROSOFT	02/07/2019	2,873,066.13	2.000	08/08/2023	2,880,000.00	1,643	2,880,000.00	2.693	2.730	129
594918BQ6	17617	TREAS	MTN	MICROSOFT	02/11/2019	19,954,038.10	2.000	08/08/2023	20,000,000.00	1,639	20,000,000.00	2.659	2.696	129
594918BQ6	17624	TREAS	MTN	MICROSOFT	03/04/2019	9,975,731.37	2.000	08/08/2023	10,000,000.00	1,618	10,000,000.00	2.698	2.735	129
594918BQ6	17625	TREAS	MTN	MICROSOFT	03/04/2019	4,987,880.03	2.000	08/08/2023	5,000,000.00	1,618	5,000,000.00	2.697	2.734	129
3130AFRW9	17621	TREAS	FAC	FEDERAL HOME LOAN	02/28/2019	20,009,656.63	2.700	08/28/2023	20,000,000.00	1,642	20,000,000.00	2.539	2.574	149
3130AFRW9	17623	TREAS	FAC	FEDERAL HOME LOAN	03/01/2019	20,007,227.27	2.700	08/28/2023	20,000,000.00	1,641	20,000,000.00	2.570	2.606	149

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												360	365	
3135G0U43	17631	TREAS	FAC	FEDERAL NATIONAL	03/27/2019	20,053,335.64	2.875	09/12/2023	20,000,000.00	1,630	20,000,000.00	2.214	2.245	164
89236TDK8	17628	TREAS	MTN	TOYOTA MOTOR CREDIT	03/07/2019	2,987,636.32	2.250	10/18/2023	3,000,000.00	1,686	3,000,000.00	3.021	3.063	200
89236TDK8	17636	TREAS	MTN	TOYOTA MOTOR CREDIT	05/30/2019	4,990,307.92	2.250	10/18/2023	5,000,000.00	1,602	5,000,000.00	2.591	2.627	200
3133EJ5W5	17618	TREAS	FAC	FEDERAL FARM CREDIT	02/26/2019	2,946,040.79	2.650	10/23/2023	2,945,000.00	1,700	2,945,000.00	2.548	2.583	205
3130AFQL4	17614	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	9,996,880.64	2.640	10/27/2023	10,000,000.00	1,743	10,000,000.00	2.662	2.699	209
3130AFQL4	17619	TREAS	FAC	FEDERAL HOME LOAN	02/26/2019	4,906,502.72	2.640	10/27/2023	4,905,000.00	1,704	4,905,000.00	2.548	2.583	209
3130A0F70	17613	TREAS	FAC	FEDERAL HOME LOAN	01/18/2019	10,041,147.95	3.375	12/08/2023	10,000,000.00	1,785	10,000,000.00	2.692	2.730	251
3130A0F70	17632	TREAS	FAC	FEDERAL HOME LOAN	04/04/2019	11,272,404.44	3.375	12/08/2023	11,200,000.00	1,709	11,200,000.00	2.341	2.373	251
89236TFS9	17612	TREAS	MTN	TOYOTA MOTOR CREDIT	01/09/2019	12,239,512.80	3.350	01/08/2024	12,250,000.00	1,825	12,250,000.00	3.425	3.472	282
24422EUR8	17665	TREAS	MTN	JOHN DEERE	11/26/2019	5,052,744.91	3.450	01/10/2024	5,000,000.00	1,506	5,000,000.00	1.996	2.024	284
24422EUR8	17672	TREAS	MTN	JOHN DEERE	12/12/2019	3,340,865.49	3.450	01/10/2024	3,306,000.00	1,490	3,306,000.00	1.997	2.025	284
24422EUR8	17678	TREAS	MTN	JOHN DEERE	12/27/2019	6,478,609.09	3.450	01/10/2024	6,413,000.00	1,475	6,413,000.00	2.039	2.067	284
17325FAS7	17702	TREAS	MTN	CITIBANK	03/24/2020	4,973,514.60	3.650	01/23/2024	5,000,000.00	1,400	5,000,000.00	4.305	4.365	297
46632FPT6	17627	TREAS	MTN	JP MORGAN	03/06/2019	30,000,000.00	3.050	01/26/2024	30,000,000.00	1,787	30,000,000.00	3.009	3.050	300
3130AGA88	17633	TREAS	FAC	FEDERAL HOME LOAN	04/05/2019	49,993,512.40	2.320	01/29/2024	50,000,000.00	1,760	50,000,000.00	2.305	2.337	303
594918BX1	17629	TREAS	MTN	MICROSOFT	03/07/2019	10,000,000.00	2.875	02/06/2024	10,000,000.00	1,797	10,000,000.00	2.835	2.875	311
3133EKBW5	17620	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2019	20,003,341.55	2.610	02/27/2024	20,000,000.00	1,825	20,000,000.00	2.555	2.590	332
3133EKBW5	17622	TREAS	FAC	FEDERAL FARM CREDIT	03/01/2019	19,997,095.77	2.610	02/27/2024	20,000,000.00	1,824	20,000,000.00	2.591	2.627	332
3133ELCS1	17666	TREAS	FAC	FEDERAL FARM CREDIT	12/11/2019	19,986,400.00	1.550	03/11/2024	20,000,000.00	1,552	20,000,000.00	1.603	1.625	345
3133ELCS1	17667	TREAS	FAC	FEDERAL FARM CREDIT	12/11/2019	24,982,222.22	1.550	03/11/2024	25,000,000.00	1,552	25,000,000.00	1.606	1.628	345
13063DLZ9	17742	TREAS	MUN	STATE OF CALIFORNIA	10/15/2020	23,359,567.09	3.000	04/01/2024	22,790,000.00	1,264	22,790,000.00	0.470	0.477	366
46632FPX7	17634	TREAS	MTN	JP MORGAN	05/15/2019	40,000,000.00	2.775	05/15/2024	40,000,000.00	1,827	40,000,000.00	2.737	2.775	410
3133ELEM2	17674	TREAS	FAC	FEDERAL FARM CREDIT	12/17/2019	25,000,000.00	1.700	05/17/2024	25,000,000.00	1,613	25,000,000.00	1.677	1.700	412
912828XT2	17677	TREAS	TRC	US TREASURY NOTE	12/18/2019	20,064,679.43	2.000	05/31/2024	20,000,000.00	1,626	20,000,000.00	1.688	1.711	426
24422ETT6	17650	TREAS	MTN	JOHN DEERE	09/19/2019	7,092,906.19	2.650	06/24/2024	7,059,000.00	1,740	7,059,000.00	2.205	2.236	450
3135G0V75	17652	TREAS	FAC	FEDERAL NATIONAL	09/26/2019	35,050,050.22	1.750	07/02/2024	35,000,000.00	1,741	35,000,000.00	1.608	1.631	458
3135G0V75	17656	TREAS	FAC	FEDERAL NATIONAL	10/16/2019	10,013,295.99	1.750	07/02/2024	10,000,000.00	1,721	10,000,000.00	1.617	1.639	458
3135G0V75	17659	TREAS	FAC	FEDERAL NATIONAL	10/23/2019	10,009,781.01	1.750	07/02/2024	10,000,000.00	1,714	10,000,000.00	1.645	1.668	458
3135G0V75	17660	TREAS	FAC	FEDERAL NATIONAL	10/28/2019	8,638,773.51	1.750	07/02/2024	8,632,000.00	1,709	8,632,000.00	1.661	1.684	458
3135G0V75	17661	TREAS	FAC	FEDERAL NATIONAL	11/05/2019	23,024,865.51	1.750	07/02/2024	23,000,000.00	1,701	23,000,000.00	1.637	1.660	458
3135G0V75	17663	TREAS	FAC	FEDERAL NATIONAL	11/08/2019	24,974,607.68	1.750	07/02/2024	25,000,000.00	1,698	25,000,000.00	1.810	1.835	458
3135G0V75	17668	TREAS	FAC	FEDERAL NATIONAL	12/06/2019	25,023,084.30	1.750	07/02/2024	25,000,000.00	1,670	25,000,000.00	1.650	1.673	458
3135G0V75	17669	TREAS	FAC	FEDERAL NATIONAL	12/06/2019	15,014,758.88	1.750	07/02/2024	15,000,000.00	1,670	15,000,000.00	1.645	1.668	458
3135G0V75	17670	TREAS	FAC	FEDERAL NATIONAL	12/09/2019	15,006,135.03	1.750	07/02/2024	15,000,000.00	1,667	15,000,000.00	1.692	1.716	458
3135G0V75	17671	TREAS	FAC	FEDERAL NATIONAL	12/09/2019	25,010,705.42	1.750	07/02/2024	25,000,000.00	1,667	25,000,000.00	1.691	1.714	458
3135G0V75	17673	TREAS	FAC	FEDERAL NATIONAL	12/12/2019	25,009,006.25	1.750	07/02/2024	25,000,000.00	1,664	25,000,000.00	1.696	1.720	458
3135G0V75	17675	TREAS	FAC	FEDERAL NATIONAL	12/13/2019	19,995,377.18	1.750	07/02/2024	20,000,000.00	1,663	20,000,000.00	1.745	1.769	458
742651DP4	17643	TREAS	FAC	PRIVATE EXPORT	07/15/2019	10,054,803.56	2.450	07/15/2024	10,000,000.00	1,827	10,000,000.00	1.974	2.001	471
742651DP4	17644	TREAS	FAC	PRIVATE EXPORT	07/15/2019	10,053,697.69	2.450	07/15/2024	10,000,000.00	1,827	10,000,000.00	1.982	2.010	471
3133EKHV1	17655	TREAS	FAC	FEDERAL FARM CREDIT	10/16/2019	2,315,087.89	2.450	07/22/2024	2,292,000.00	1,741	2,292,000.00	1.623	1.646	478
3133EKWV4	17647	TREAS	FAC	FEDERAL FARM CREDIT	08/28/2019	4,974,833.08	1.850	07/26/2024	4,950,000.00	1,794	4,950,000.00	1.435	1.455	482

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												360	365	
3133EKWV4	17648	TREAS	FAC	FEDERAL FARM CREDIT	08/28/2019	15,073,389.92	1.850	07/26/2024	15,000,000.00	1,794	15,000,000.00	1.444	1.464	482
3133EKWV4	17649	TREAS	FAC	FEDERAL FARM CREDIT	09/13/2019	17,973,726.72	1.850	07/26/2024	17,941,000.00	1,778	17,941,000.00	1.682	1.705	482
89236TGM1	17653	TREAS	MTN	TOYOTA MOTOR CREDIT	10/15/2019	30,000,000.00	1.875	07/31/2024	30,000,000.00	1,751	30,000,000.00	1.850	1.875	487
3133X8EW8	17651	TREAS	FAC	FEDERAL HOME LOAN	09/26/2019	3,943,748.23	5.375	08/15/2024	3,760,000.00	1,785	3,760,000.00	1.630	1.653	502
3130AGWK7	17658	TREAS	FAC	FEDERAL HOME LOAN	10/23/2019	9,978,654.18	1.500	08/15/2024	10,000,000.00	1,758	10,000,000.00	1.640	1.662	502
3130AGWK7	17662	TREAS	FAC	FEDERAL HOME LOAN	11/05/2019	12,475,167.17	1.500	08/15/2024	12,500,000.00	1,745	12,500,000.00	1.628	1.651	502
3130AGWK7	17676	TREAS	FAC	FEDERAL HOME LOAN	12/18/2019	9,969,658.91	1.500	08/15/2024	10,000,000.00	1,702	10,000,000.00	1.707	1.731	502
30231GBC5	17695	TREAS	MTN	EXXON MOBIL	03/17/2020	4,993,068.75	2.019	08/16/2024	5,000,000.00	1,613	5,000,000.00	2.096	2.125	503
30231GBC5	17696	TREAS	MTN	EXXON MOBIL	03/17/2020	4,992,087.48	2.019	08/16/2024	5,000,000.00	1,613	5,000,000.00	2.111	2.140	503
SYS16602	16602	TREAS	BCD	BANK OF THE WEST	08/24/2022	10,000,000.00	3.230	08/24/2024	10,000,000.00	731	10,000,000.00	3.186	3.230	511
3130A2UW4	17654	TREAS	FAC	FEDERAL HOME LOAN	10/15/2019	10,167,317.53	2.875	09/13/2024	10,000,000.00	1,795	10,000,000.00	1.645	1.668	531
13063DRK6	17657	TREAS	MUN	STATE OF CALIFORNIA	10/24/2019	50,349,009.57	2.400	10/01/2024	50,000,000.00	1,804	50,000,000.00	1.884	1.910	549
89236TGL3	17664	TREAS	MTN	TOYOTA MOTOR CREDIT	11/12/2019	9,992,513.77	2.000	10/07/2024	10,000,000.00	1,791	10,000,000.00	2.024	2.052	555
89236TGL3	17682	TREAS	MTN	TOYOTA MOTOR CREDIT	01/13/2020	21,396,210.90	2.000	10/07/2024	21,410,000.00	1,729	21,410,000.00	2.016	2.044	555
3130A3GE8	17693	TREAS	FAC	FEDERAL HOME LOAN	02/05/2020	5,101,916.56	2.750	12/13/2024	5,000,000.00	1,773	5,000,000.00	1.481	1.502	622
3135GOX24	17680	TREAS	FAC	FEDERAL NATIONAL	01/10/2020	49,924,968.28	1.625	01/07/2025	50,000,000.00	1,824	50,000,000.00	1.691	1.714	647
24422EVC0	17681	TREAS	MTN	JOHN DEERE	01/10/2020	3,923,608.03	2.050	01/09/2025	3,925,000.00	1,826	3,925,000.00	2.043	2.071	649
24422EVC0	17683	TREAS	MTN	JOHN DEERE	01/13/2020	9,995,136.85	2.050	01/09/2025	10,000,000.00	1,823	10,000,000.00	2.051	2.079	649
24422EVC0	17686	TREAS	MTN	JOHN DEERE	02/10/2020	10,037,440.72	2.050	01/09/2025	10,000,000.00	1,795	10,000,000.00	1.803	1.828	649
24422EVC0	17688	TREAS	MTN	JOHN DEERE	02/28/2020	5,039,320.26	2.050	01/09/2025	5,000,000.00	1,777	5,000,000.00	1.565	1.587	649
24422EVC0	17689	TREAS	MTN	JOHN DEERE	02/28/2020	10,079,496.77	2.050	01/09/2025	10,000,000.00	1,777	10,000,000.00	1.560	1.582	649
24422EVC0	17697	TREAS	MTN	JOHN DEERE	03/17/2020	5,020,764.47	2.050	01/09/2025	5,000,000.00	1,759	5,000,000.00	1.779	1.804	649
24422EVC0	17701	TREAS	MTN	JOHN DEERE	03/24/2020	4,429,881.03	2.050	01/09/2025	4,500,000.00	1,752	4,500,000.00	2.959	3.000	649
24422EVC0	17755	TREAS	MTN	JOHN DEERE	12/10/2020	8,421,063.14	2.050	01/09/2025	8,210,000.00	1,491	8,210,000.00	0.572	0.580	649
90331HPL1	17690	TREAS	MTN	US BANK NA	02/28/2020	5,035,191.44	2.050	01/21/2025	5,000,000.00	1,789	5,000,000.00	1.613	1.636	661
90331HPL1	17691	TREAS	MTN	US BANK NA	03/12/2020	5,041,194.54	2.050	01/21/2025	5,000,000.00	1,776	5,000,000.00	1.552	1.574	661
90331HPL1	17692	TREAS	MTN	US BANK NA	03/12/2020	5,038,260.43	2.050	01/21/2025	5,000,000.00	1,776	5,000,000.00	1.586	1.608	661
3133ELJM7	17712	TREAS	FAC	FEDERAL FARM CREDIT	05/19/2020	10,194,477.20	1.650	01/23/2025	10,000,000.00	1,710	10,000,000.00	0.553	0.561	663
30231GBH4	17699	TREAS	MTN	EXXON MOBIL	03/19/2020	5,000,000.00	2.992	03/19/2025	5,000,000.00	1,826	5,000,000.00	2.951	2.992	718
13063DGB8	17766	TREAS	MUN	STATE OF CALIFORNIA	01/11/2021	7,903,294.74	3.375	04/01/2025	7,500,000.00	1,541	7,500,000.00	0.636	0.645	731
166764BW9	17710	TREAS	MTN	CHEVRON CORP	05/11/2020	5,000,000.00	1.554	05/11/2025	5,000,000.00	1,826	5,000,000.00	1.533	1.554	771
3133ELZM9	17711	TREAS	FAC	FEDERAL FARM CREDIT	05/19/2020	45,483,919.00	0.500	05/14/2025	45,559,000.00	1,821	45,559,000.00	0.571	0.579	774
46632FRT4	17756	TREAS	MTN	JP MORGAN	12/14/2020	60,000,000.00	0.580	05/29/2025	60,000,000.00	1,627	60,000,000.00	0.572	0.580	789
3135G04Z3	17732	TREAS	FAC	FEDERAL NATIONAL	09/11/2020	20,028,407.37	0.500	06/17/2025	20,000,000.00	1,740	20,000,000.00	0.429	0.435	808
3135G04Z3	17733	TREAS	FAC	FEDERAL NATIONAL	09/24/2020	50,080,885.38	0.500	06/17/2025	50,000,000.00	1,727	50,000,000.00	0.420	0.426	808
3135G04Z3	17734	TREAS	FAC	FEDERAL NATIONAL	09/28/2020	20,042,165.98	0.500	06/17/2025	20,000,000.00	1,723	20,000,000.00	0.398	0.404	808
3135G04Z3	17735	TREAS	FAC	FEDERAL NATIONAL	09/28/2020	50,105,016.72	0.500	06/17/2025	50,000,000.00	1,723	50,000,000.00	0.398	0.404	808
3135G04Z3	17736	TREAS	FAC	FEDERAL NATIONAL	10/01/2020	75,150,939.62	0.500	06/17/2025	75,000,000.00	1,720	75,000,000.00	0.402	0.408	808
3135G04Z3	17746	TREAS	FAC	FEDERAL NATIONAL	11/24/2020	10,010,707.00	0.500	06/17/2025	10,000,000.00	1,666	10,000,000.00	0.445	0.451	808
3137EAEU9	17724	TREAS	FAC	FEDERAL HOME	07/23/2020	64,850,572.30	0.375	07/21/2025	65,000,000.00	1,824	65,000,000.00	0.469	0.476	842
3137EAEU9	17731	TREAS	FAC	FEDERAL HOME	09/10/2020	29,962,458.02	0.375	07/21/2025	30,000,000.00	1,775	30,000,000.00	0.424	0.430	842

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												360	365	
166756AE6	17725	TREAS	MTN	CHEVRON CORP	08/12/2020	3,000,000.00	0.687	08/12/2025	3,000,000.00	1,826	3,000,000.00	0.678	0.687	864
166756AE6	17726	TREAS	MTN	CHEVRON CORP	08/13/2020	4,498,641.90	0.687	08/12/2025	4,500,000.00	1,825	4,500,000.00	0.690	0.700	864
166756AE6	17727	TREAS	MTN	CHEVRON CORP	08/13/2020	8,997,275.29	0.687	08/12/2025	9,000,000.00	1,825	9,000,000.00	0.690	0.700	864
166756AE6	17728	TREAS	MTN	CHEVRON CORP	08/13/2020	4,998,486.27	0.687	08/12/2025	5,000,000.00	1,825	5,000,000.00	0.690	0.700	864
166756AE6	17745	TREAS	MTN	CHEVRON CORP	11/05/2020	9,983,535.11	0.687	08/12/2025	10,000,000.00	1,741	10,000,000.00	0.748	0.758	864
02079KAH0	17773	TREAS	MTN	ALPHABET INC	01/19/2021	19,943,872.59	0.450	08/15/2025	20,000,000.00	1,669	20,000,000.00	0.562	0.570	867
02079KAH0	17776	TREAS	MTN	ALPHABET INC	01/20/2021	4,989,469.06	0.450	08/15/2025	5,000,000.00	1,668	5,000,000.00	0.533	0.540	867
02079KAH0	17777	TREAS	MTN	ALPHABET INC	01/20/2021	4,989,461.28	0.450	08/15/2025	5,000,000.00	1,668	5,000,000.00	0.533	0.540	867
037833DX5	17729	TREAS	MTN	APPLE INC	08/20/2020	9,988,737.56	0.550	08/20/2025	10,000,000.00	1,826	10,000,000.00	0.590	0.598	872
037833DX5	17772	TREAS	MTN	APPLE INC	01/19/2021	14,979,903.77	0.550	08/20/2025	15,000,000.00	1,674	15,000,000.00	0.599	0.607	872
037833DX5	17782	TREAS	MTN	APPLE INC	01/25/2021	9,992,945.23	0.550	08/20/2025	10,000,000.00	1,668	10,000,000.00	0.572	0.580	872
3135G05X7	17730	TREAS	FAC	FEDERAL NATIONAL	08/27/2020	124,718,887.65	0.375	08/25/2025	125,000,000.00	1,824	125,000,000.00	0.463	0.470	877
3135G05X7	17747	TREAS	FAC	FEDERAL NATIONAL	11/24/2020	9,974,650.61	0.375	08/25/2025	10,000,000.00	1,735	10,000,000.00	0.475	0.482	877
3135G05X7	17748	TREAS	FAC	FEDERAL NATIONAL	11/24/2020	9,974,600.12	0.375	08/25/2025	10,000,000.00	1,735	10,000,000.00	0.476	0.482	877
478160CN2	17784	TREAS	MTN	JOHNSON & JOHNSON	02/02/2021	5,000,000.00	0.550	09/01/2025	5,000,000.00	1,672	5,000,000.00	0.542	0.550	884
478160CN2	17786	TREAS	MTN	JOHNSON & JOHNSON	02/04/2021	5,000,000.00	0.550	09/01/2025	5,000,000.00	1,670	5,000,000.00	0.542	0.550	884
3137EAEX3	17741	TREAS	FAC	FEDERAL HOME	10/08/2020	49,867,924.03	0.375	09/23/2025	50,000,000.00	1,811	50,000,000.00	0.476	0.483	906
89236THP3	17743	TREAS	MTN	TOYOTA MOTOR CREDIT	10/16/2020	6,994,093.17	0.800	10/16/2025	7,000,000.00	1,826	7,000,000.00	0.823	0.834	929
742718FL8	17780	TREAS	MUN	PROCTER & GAMBLE	01/22/2021	12,200,000.00	0.550	10/29/2025	12,200,000.00	1,741	12,200,000.00	0.542	0.550	942
13063DYW2	17744	TREAS	MUN	STATE OF CALIFORNIA	11/03/2020	53,639,323.78	3.000	11/01/2025	50,685,000.00	1,824	50,685,000.00	0.690	0.700	945
3135G06G3	17754	TREAS	FAC	FEDERAL NATIONAL	12/07/2020	24,989,093.22	0.500	11/07/2025	25,000,000.00	1,796	25,000,000.00	0.510	0.517	951
89236THW8	17767	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	4,996,752.89	0.800	01/09/2026	5,000,000.00	1,824	5,000,000.00	0.813	0.824	1,014
89236THW8	17768	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	4,998,085.04	0.800	01/09/2026	5,000,000.00	1,824	5,000,000.00	0.803	0.814	1,014
89236THW8	17769	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	5,497,612.68	0.800	01/09/2026	5,500,000.00	1,824	5,500,000.00	0.805	0.816	1,014
89236THW8	17770	TREAS	MTN	TOYOTA MOTOR CREDIT	01/11/2021	5,267,855.85	0.800	01/09/2026	5,270,000.00	1,824	5,270,000.00	0.804	0.815	1,014
24422EVK2	17774	TREAS	MTN	JOHN DEERE	01/20/2021	9,183,687.66	0.700	01/15/2026	9,200,000.00	1,821	9,200,000.00	0.754	0.765	1,020
24422EVK2	17775	TREAS	MTN	JOHN DEERE	01/20/2021	4,503,958.41	0.700	01/15/2026	4,510,000.00	1,821	4,510,000.00	0.739	0.749	1,020
24422EVK2	17778	TREAS	MTN	JOHN DEERE	01/21/2021	9,994,515.50	0.700	01/15/2026	10,000,000.00	1,820	10,000,000.00	0.710	0.720	1,020
24422EVK2	17779	TREAS	MTN	JOHN DEERE	01/21/2021	4,997,257.75	0.700	01/15/2026	5,000,000.00	1,820	5,000,000.00	0.710	0.720	1,020
24422EVK2	17781	TREAS	MTN	JOHN DEERE	01/22/2021	4,995,212.38	0.700	01/15/2026	5,000,000.00	1,819	5,000,000.00	0.725	0.735	1,020
3133EMPC0	17783	TREAS	FAC	FEDERAL FARM CREDIT	01/29/2021	124,986,073.19	0.460	01/29/2026	125,000,000.00	1,826	125,000,000.00	0.458	0.464	1,034
91282CBH3	17795	TREAS	TRC	US TREASURY NOTE	03/08/2021	19,760,352.65	0.375	01/31/2026	20,000,000.00	1,790	20,000,000.00	0.796	0.807	1,036
037833EB2	17785	TREAS	MTN	APPLE INC	02/08/2021	9,987,162.50	0.700	02/08/2026	10,000,000.00	1,826	10,000,000.00	0.736	0.746	1,044
037833EB2	17787	TREAS	MTN	APPLE INC	02/08/2021	19,975,922.56	0.700	02/08/2026	20,000,000.00	1,826	20,000,000.00	0.733	0.743	1,044
912828P46	17791	TREAS	TRC	US TREASURY NOTE	02/26/2021	30,712,519.37	1.625	02/15/2026	30,000,000.00	1,815	30,000,000.00	0.771	0.782	1,051
13063DMA3	17866	TREAS	MUN	STATE OF CALIFORNIA	12/17/2021	10,394,997.41	2.650	04/01/2026	10,000,000.00	1,566	10,000,000.00	1.274	1.292	1,096
91282CBW0	17798	TREAS	TRC	US TREASURY NOTE	05/03/2021	19,927,199.76	0.750	04/30/2026	20,000,000.00	1,823	20,000,000.00	0.859	0.871	1,125
91282CBW0	17800	TREAS	TRC	US TREASURY NOTE	05/12/2021	29,912,787.69	0.750	04/30/2026	30,000,000.00	1,814	30,000,000.00	0.835	0.847	1,125
912828R36	17801	TREAS	TRC	US TREASURY NOTE	05/18/2021	30,725,495.41	1.625	05/15/2026	30,000,000.00	1,823	30,000,000.00	0.821	0.832	1,140
912828R36	17802	TREAS	TRC	US TREASURY NOTE	05/19/2021	20,488,817.23	1.625	05/15/2026	20,000,000.00	1,822	20,000,000.00	0.813	0.824	1,140
912828R36	17803	TREAS	TRC	US TREASURY NOTE	05/20/2021	20,461,696.87	1.625	05/15/2026	20,000,000.00	1,821	20,000,000.00	0.856	0.868	1,140

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												360	365	
91282CCF6	17805	TREAS	TRC	US TREASURY NOTE	06/16/2021	19,978,045.58	0.750	05/31/2026	20,000,000.00	1,810	20,000,000.00	0.775	0.785	1,156
91282CCF6	17808	TREAS	TRC	US TREASURY NOTE	06/17/2021	39,894,161.14	0.750	05/31/2026	40,000,000.00	1,809	40,000,000.00	0.824	0.835	1,156
91282CCF6	17809	TREAS	TRC	US TREASURY NOTE	06/17/2021	39,876,188.50	0.750	05/31/2026	40,000,000.00	1,809	40,000,000.00	0.838	0.850	1,156
91282CCF6	17810	TREAS	TRC	US TREASURY NOTE	06/17/2021	19,908,139.86	0.750	05/31/2026	20,000,000.00	1,809	20,000,000.00	0.886	0.899	1,156
3133XG6E9	17829	TREAS	FAC	FEDERAL HOME LOAN	07/14/2021	17,297,778.15	5.750	06/12/2026	15,000,000.00	1,794	15,000,000.00	0.836	0.848	1,168
3130AN4T4	17830	TREAS	FAC	FEDERAL HOME LOAN	07/14/2021	22,017,000.69	0.875	06/12/2026	22,000,000.00	1,794	22,000,000.00	0.839	0.850	1,168
3130AN4T4	17831	TREAS	FAC	FEDERAL HOME LOAN	08/09/2021	9,277,242.97	0.875	06/12/2026	9,250,000.00	1,768	9,250,000.00	0.770	0.781	1,168
3130AN4T4	17832	TREAS	FAC	FEDERAL HOME LOAN	08/09/2021	12,034,074.35	0.875	06/12/2026	12,000,000.00	1,768	12,000,000.00	0.774	0.784	1,168
3130AN4T4	17833	TREAS	FAC	FEDERAL HOME LOAN	08/11/2021	50,089,151.26	0.875	06/12/2026	50,000,000.00	1,766	50,000,000.00	0.807	0.818	1,168
91282CCJ8	17823	TREAS	TRC	US TREASURY NOTE	06/30/2021	29,919,331.22	0.875	06/30/2026	30,000,000.00	1,826	30,000,000.00	0.947	0.960	1,186
91282CCJ8	17824	TREAS	TRC	US TREASURY NOTE	06/30/2021	29,976,235.64	0.875	06/30/2026	30,000,000.00	1,826	30,000,000.00	0.888	0.900	1,186
91282CCJ8	17827	TREAS	TRC	US TREASURY NOTE	06/30/2021	29,943,675.55	0.875	06/30/2026	30,000,000.00	1,826	30,000,000.00	0.922	0.934	1,186
3133EMP48	17825	TREAS	FAC	FEDERAL FARM CREDIT	07/01/2021	29,980,695.00	0.900	07/01/2026	30,000,000.00	1,826	30,000,000.00	0.908	0.920	1,187
3133EMP48	17826	TREAS	FAC	FEDERAL FARM CREDIT	07/01/2021	19,986,090.00	0.900	07/01/2026	20,000,000.00	1,826	20,000,000.00	0.909	0.922	1,187
3130AN6L9	17828	TREAS	FAC	FEDERAL HOME LOAN	07/14/2021	10,741,071.14	0.820	07/08/2026	10,750,000.00	1,820	10,750,000.00	0.834	0.846	1,194
91282CCP4	17838	TREAS	TRC	US TREASURY NOTE	08/26/2021	49,677,790.80	0.625	07/31/2026	50,000,000.00	1,800	50,000,000.00	0.811	0.823	1,217
91282CCP4	17839	TREAS	TRC	US TREASURY NOTE	09/07/2021	49,750,074.28	0.625	07/31/2026	50,000,000.00	1,788	50,000,000.00	0.767	0.778	1,217
91282CCP4	17840	TREAS	TRC	US TREASURY NOTE	09/08/2021	24,853,685.03	0.625	07/31/2026	25,000,000.00	1,787	25,000,000.00	0.793	0.804	1,217
91282CCP4	17854	TREAS	TRC	US TREASURY NOTE	10/19/2021	19,661,835.53	0.625	07/31/2026	20,000,000.00	1,746	20,000,000.00	1.132	1.148	1,217
91282CCP4	17855	TREAS	TRC	US TREASURY NOTE	10/25/2021	19,620,780.35	0.625	07/31/2026	20,000,000.00	1,740	20,000,000.00	1.195	1.212	1,217
91282CCP4	17856	TREAS	TRC	US TREASURY NOTE	10/28/2021	4,918,441.91	0.625	07/31/2026	5,000,000.00	1,737	5,000,000.00	1.113	1.129	1,217
91282CCP4	17862	TREAS	TRC	US TREASURY NOTE	11/01/2021	19,640,096.65	0.625	07/31/2026	20,000,000.00	1,733	20,000,000.00	1.165	1.182	1,217
91282CCP4	17867	TREAS	TRC	US TREASURY NOTE	12/21/2021	49,155,426.04	0.625	07/31/2026	50,000,000.00	1,683	50,000,000.00	1.131	1.146	1,217
3133EM4A7	17837	TREAS	FAC	FEDERAL FARM CREDIT	08/27/2021	49,991,656.39	0.800	08/27/2026	50,000,000.00	1,826	50,000,000.00	0.794	0.805	1,244
91282CCW9	17836	TREAS	TRC	US TREASURY NOTE	08/31/2021	49,933,115.47	0.750	08/31/2026	50,000,000.00	1,826	50,000,000.00	0.779	0.790	1,248
91282CCW9	17843	TREAS	TRC	US TREASURY NOTE	09/13/2021	19,954,826.25	0.750	08/31/2026	20,000,000.00	1,813	20,000,000.00	0.806	0.818	1,248
91282CCW9	17844	TREAS	TRC	US TREASURY NOTE	09/17/2021	19,945,024.88	0.750	08/31/2026	20,000,000.00	1,809	20,000,000.00	0.821	0.832	1,248
91282CCW9	17853	TREAS	TRC	US TREASURY NOTE	10/12/2021	19,815,821.19	0.750	08/31/2026	20,000,000.00	1,784	20,000,000.00	1.013	1.027	1,248
3130A8XY4	17845	TREAS	FAC	FEDERAL HOME LOAN	09/20/2021	6,730,519.55	1.875	09/11/2026	6,515,000.00	1,817	6,515,000.00	0.879	0.891	1,259
3130A8XY4	17848	TREAS	FAC	FEDERAL HOME LOAN	09/23/2021	14,448,573.95	1.875	09/11/2026	13,980,000.00	1,814	13,980,000.00	0.866	0.878	1,259
931142ER0	17842	TREAS	MTN	WALMART	09/17/2021	19,973,834.00	1.050	09/17/2026	20,000,000.00	1,826	20,000,000.00	1.074	1.089	1,265
931142ER0	17846	TREAS	MTN	WALMART	09/21/2021	10,000,000.00	1.050	09/17/2026	10,000,000.00	1,822	10,000,000.00	1.036	1.050	1,265
931142ER0	17847	TREAS	MTN	WALMART	09/21/2021	10,000,000.00	1.050	09/17/2026	10,000,000.00	1,822	10,000,000.00	1.036	1.050	1,265
931142ER0	17849	TREAS	MTN	WALMART	09/27/2021	10,000,000.00	1.050	09/17/2026	10,000,000.00	1,816	10,000,000.00	1.036	1.050	1,265
91282CCZ2	17850	TREAS	TRC	US TREASURY NOTE	09/30/2021	19,962,471.87	0.875	09/30/2026	20,000,000.00	1,826	20,000,000.00	0.917	0.930	1,278
91282CCZ2	17851	TREAS	TRC	US TREASURY NOTE	09/30/2021	29,834,322.80	0.875	09/30/2026	30,000,000.00	1,826	30,000,000.00	1.023	1.037	1,278
91282CCZ2	17852	TREAS	TRC	US TREASURY NOTE	09/30/2021	29,872,051.27	0.875	09/30/2026	30,000,000.00	1,826	30,000,000.00	0.987	1.000	1,278
13063DK31	17863	TREAS	MUN	STATE OF CALIFORNIA	11/17/2021	16,657,465.79	1.250	10/01/2026	16,635,000.00	1,779	16,635,000.00	1.194	1.210	1,279
13063DRD2	17871	TREAS	MUN	STATE OF CALIFORNIA	01/05/2022	8,077,579.57	2.375	10/01/2026	7,840,000.00	1,730	7,840,000.00	1.455	1.475	1,279
13063DRD2	17881	TREAS	MUN	STATE OF CALIFORNIA	02/01/2022	16,508,245.44	2.375	10/01/2026	16,175,000.00	1,703	16,175,000.00	1.735	1.759	1,279
13063DRD2	17892	TREAS	MUN	STATE OF CALIFORNIA	03/11/2022	15,122,850.00	2.375	10/01/2026	15,000,000.00	1,665	15,000,000.00	2.099	2.128	1,279

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												360	365	
13063D3A4	17980	TREAS	MUN	STATE OF CALIFORNIA	02/14/2023	9,206,324.22	5.700	10/01/2026	8,710,000.00	1,325	8,710,000.00	4.290	4.350	1,279
91282CDG3	17859	TREAS	TRC	US TREASURY NOTE	11/01/2021	29,908,449.69	1.125	10/31/2026	30,000,000.00	1,825	30,000,000.00	1.196	1.213	1,309
91282CDG3	17860	TREAS	TRC	US TREASURY NOTE	11/01/2021	19,931,357.90	1.125	10/31/2026	20,000,000.00	1,825	20,000,000.00	1.207	1.224	1,309
91282CDG3	17861	TREAS	TRC	US TREASURY NOTE	11/01/2021	49,861,311.01	1.125	10/31/2026	50,000,000.00	1,825	50,000,000.00	1.188	1.205	1,309
91282CDG3	17864	TREAS	TRC	US TREASURY NOTE	11/23/2021	19,871,813.47	1.125	10/31/2026	20,000,000.00	1,803	20,000,000.00	1.292	1.310	1,309
91282CDG3	17875	TREAS	TRC	US TREASURY NOTE	01/10/2022	29,606,670.67	1.125	10/31/2026	30,000,000.00	1,755	30,000,000.00	1.485	1.506	1,309
91282CDG3	17877	TREAS	TRC	US TREASURY NOTE	01/19/2022	29,474,614.74	1.125	10/31/2026	30,000,000.00	1,746	30,000,000.00	1.613	1.635	1,309
3130AQF65	17868	TREAS	FAC	FEDERAL HOME LOAN	12/22/2021	99,798,813.79	1.250	12/21/2026	100,000,000.00	1,825	100,000,000.00	1.287	1.305	1,360
3130AQF65	17869	TREAS	FAC	FEDERAL HOME LOAN	12/22/2021	24,810,873.93	1.250	12/21/2026	24,860,000.00	1,825	24,860,000.00	1.286	1.304	1,360
3130AQF65	17872	TREAS	FAC	FEDERAL HOME LOAN	01/06/2022	24,145,070.55	1.250	12/21/2026	24,300,000.00	1,810	24,300,000.00	1.408	1.428	1,360
91282CDQ1	17870	TREAS	TRC	US TREASURY NOTE	12/31/2021	49,981,877.14	1.250	12/31/2026	50,000,000.00	1,826	50,000,000.00	1.243	1.260	1,370
91282CDQ1	17873	TREAS	TRC	US TREASURY NOTE	01/06/2022	29,844,745.88	1.250	12/31/2026	30,000,000.00	1,820	30,000,000.00	1.374	1.393	1,370
91282CDQ1	17874	TREAS	TRC	US TREASURY NOTE	01/07/2022	29,759,929.91	1.250	12/31/2026	30,000,000.00	1,819	30,000,000.00	1.452	1.472	1,370
3133ENKV1	17879	TREAS	FAC	FEDERAL FARM CREDIT	01/27/2022	49,702,586.79	1.500	01/13/2027	50,000,000.00	1,812	50,000,000.00	1.642	1.664	1,383
3133ENKV1	17880	TREAS	FAC	FEDERAL FARM CREDIT	01/27/2022	49,719,516.46	1.500	01/13/2027	50,000,000.00	1,812	50,000,000.00	1.632	1.655	1,383
89236TJV8	17884	TREAS	MTN	TOYOTA MOTOR CREDIT	03/07/2022	11,432,300.76	1.900	01/13/2027	11,581,000.00	1,773	11,581,000.00	2.229	2.260	1,383
912828Z78	17878	TREAS	TRC	US TREASURY NOTE	01/31/2022	49,763,294.30	1.500	01/31/2027	50,000,000.00	1,826	50,000,000.00	1.607	1.629	1,401
912828Z78	17883	TREAS	TRC	US TREASURY NOTE	02/28/2022	19,696,842.85	1.500	01/31/2027	20,000,000.00	1,798	20,000,000.00	1.890	1.916	1,401
594918BY9	17961	TREAS	MTN	MICROSOFT	12/19/2022	9,727,470.75	3.300	02/06/2027	10,000,000.00	1,510	10,000,000.00	4.020	4.076	1,407
3133ENNS5	17882	TREAS	FAC	FEDERAL FARM CREDIT	02/28/2022	49,751,661.91	1.800	02/16/2027	50,000,000.00	1,814	50,000,000.00	1.908	1.935	1,417
13063D3N6	18000	TREAS	MUN	STATE OF CALIFORNIA	03/15/2023	22,000,000.00	4.846	03/01/2027	22,000,000.00	1,447	22,000,000.00	4.780	4.847	1,430
3133ENRD4	17893	TREAS	FAC	FEDERAL FARM CREDIT	03/15/2022	9,812,960.78	1.680	03/10/2027	10,000,000.00	1,821	10,000,000.00	2.153	2.183	1,439
084664CZ2	17890	TREAS	MTN	BERKSHIRE HATHAWAY	03/15/2022	59,990,981.33	2.300	03/15/2027	60,000,000.00	1,826	60,000,000.00	2.272	2.304	1,444
084664CZ2	17891	TREAS	MTN	BERKSHIRE HATHAWAY	03/15/2022	9,940,745.78	2.300	03/15/2027	10,000,000.00	1,826	10,000,000.00	2.426	2.460	1,444
931142CH4	17901	TREAS	MTN	WALMART	07/18/2022	5,582,797.46	5.875	04/05/2027	5,125,000.00	1,722	5,125,000.00	3.395	3.442	1,465
037833CR9	17895	TREAS	MTN	APPLE INC	06/13/2022	9,918,298.64	3.200	05/11/2027	10,000,000.00	1,793	10,000,000.00	3.370	3.417	1,501
037833CR9	17899	TREAS	MTN	APPLE INC	07/01/2022	4,913,610.29	3.200	05/11/2027	5,000,000.00	1,775	5,000,000.00	3.612	3.662	1,501
037833CR9	17902	TREAS	MTN	APPLE INC	07/27/2022	9,979,310.90	3.200	05/11/2027	10,000,000.00	1,749	10,000,000.00	3.209	3.254	1,501
037833CR9	17903	TREAS	MTN	APPLE INC	07/27/2022	4,993,175.17	3.200	05/11/2027	5,000,000.00	1,749	5,000,000.00	3.191	3.235	1,501
037833CR9	17905	TREAS	MTN	APPLE INC	08/23/2022	9,905,979.03	3.200	05/11/2027	10,000,000.00	1,722	10,000,000.00	3.402	3.449	1,501
166764BX7	17919	TREAS	MTN	CHEVRON CORP	09/02/2022	9,356,703.85	1.995	05/11/2027	10,000,000.00	1,712	10,000,000.00	3.663	3.714	1,501
166764BX7	17957	TREAS	MTN	CHEVRON CORP	12/02/2022	4,548,240.51	1.995	05/11/2027	5,000,000.00	1,621	5,000,000.00	4.413	4.474	1,501
166764BX7	17959	TREAS	MTN	CHEVRON CORP	12/08/2022	4,584,854.38	1.995	05/11/2027	5,000,000.00	1,615	5,000,000.00	4.214	4.273	1,501
166764BX7	17995	TREAS	MTN	CHEVRON CORP	03/02/2023	18,099,083.32	1.995	05/11/2027	20,000,000.00	1,531	20,000,000.00	4.672	4.737	1,501
912828X88	17897	TREAS	TRC	US TREASURY NOTE	06/22/2022	48,053,516.50	2.375	05/15/2027	50,000,000.00	1,788	50,000,000.00	3.361	3.408	1,505
912828X88	17898	TREAS	TRC	US TREASURY NOTE	06/22/2022	48,053,516.50	2.375	05/15/2027	50,000,000.00	1,788	50,000,000.00	3.361	3.408	1,505
912828X88	17954	TREAS	TRC	US TREASURY NOTE	11/22/2022	46,887,546.04	2.375	05/15/2027	50,000,000.00	1,635	50,000,000.00	3.997	4.053	1,505
3130AU2B9	17955	TREAS	FAC	FEDERAL HOME LOAN	12/05/2022	49,945,180.88	4.000	06/04/2027	50,000,000.00	1,642	50,000,000.00	3.974	4.029	1,525
037833CX6	17921	TREAS	MTN	APPLE INC	09/02/2022	9,772,897.19	3.000	06/20/2027	10,000,000.00	1,752	10,000,000.00	3.541	3.590	1,541
3133ENW22	17947	TREAS	FAC	FEDERAL FARM CREDIT	10/28/2022	24,998,363.93	4.430	06/28/2027	25,000,000.00	1,704	25,000,000.00	4.372	4.433	1,549
912828ZV5	17960	TREAS	TRC	US TREASURY NOTE	12/13/2022	26,091,112.10	0.500	06/30/2027	30,000,000.00	1,660	30,000,000.00	3.820	3.873	1,551

Portfolio FSNO
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IM (PRF_IM) 7.3.11
Report Ver. 7.3.11

**County of Fresno
Inventory by Maturity Report**

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CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
91282CEW7	17963	TREAS	TRC	US TREASURY NOTE	12/23/2022	29,321,437.50	3.250	06/30/2027	30,000,000.00	1,650	30,000,000.00	3.782	3.835	1,551
3130AU2J2	17956	TREAS	FAC	FEDERAL HOME LOAN	12/06/2022	14,951,270.73	4.000	07/06/2027	15,000,000.00	1,673	15,000,000.00	4.029	4.085	1,557
3133EPAU9	17978	TREAS	FAC	FEDERAL FARM CREDIT	02/14/2023	19,928,034.68	3.875	07/14/2027	20,000,000.00	1,611	20,000,000.00	3.914	3.968	1,565
3133ENP53	17932	TREAS	FAC	FEDERAL FARM CREDIT	09/27/2022	24,969,528.33	3.750	07/27/2027	25,000,000.00	1,764	25,000,000.00	3.730	3.782	1,578
3133ENP53	17938	TREAS	FAC	FEDERAL FARM CREDIT	09/28/2022	49,325,748.25	3.750	07/27/2027	50,000,000.00	1,763	50,000,000.00	4.042	4.098	1,578
3133ENR36	17943	TREAS	FAC	FEDERAL FARM CREDIT	10/06/2022	24,971,819.41	4.050	07/27/2027	25,000,000.00	1,755	25,000,000.00	4.024	4.080	1,578
91282CFB2	17922	TREAS	TRC	US TREASURY NOTE	09/07/2022	48,582,957.56	2.750	07/31/2027	50,000,000.00	1,788	50,000,000.00	3.419	3.466	1,582
91282CFB2	17928	TREAS	TRC	US TREASURY NOTE	09/14/2022	28,967,391.91	2.750	07/31/2027	30,000,000.00	1,781	30,000,000.00	3.574	3.623	1,582
91282CFB2	17934	TREAS	TRC	US TREASURY NOTE	09/26/2022	28,505,556.64	2.750	07/31/2027	30,000,000.00	1,769	30,000,000.00	3.971	4.026	1,582
91282CFB2	17967	TREAS	TRC	US TREASURY NOTE	12/27/2022	28,633,614.71	2.750	07/31/2027	30,000,000.00	1,677	30,000,000.00	3.854	3.908	1,582
91282CFB2	17968	TREAS	TRC	US TREASURY NOTE	12/28/2022	47,599,655.99	2.750	07/31/2027	50,000,000.00	1,676	50,000,000.00	3.918	3.972	1,582
91282CFB2	17969	TREAS	TRC	US TREASURY NOTE	12/28/2022	47,548,035.69	2.750	07/31/2027	50,000,000.00	1,676	50,000,000.00	3.944	3.999	1,582
742718EV7	17942	TREAS	MTN	PROCTER & GAMBLE	10/05/2022	9,400,234.82	2.850	08/11/2027	10,000,000.00	1,771	10,000,000.00	4.331	4.391	1,593
166756AL0	17904	TREAS	MTN	CHEVRON CORP	08/23/2022	4,499,058.24	1.018	08/12/2027	5,000,000.00	1,815	5,000,000.00	3.493	3.542	1,594
166756AL0	17915	TREAS	MTN	CHEVRON CORP	08/31/2022	8,950,314.43	1.018	08/12/2027	10,000,000.00	1,807	10,000,000.00	3.620	3.670	1,594
166756AL0	17920	TREAS	MTN	CHEVRON CORP	09/02/2022	13,370,374.34	1.018	08/12/2027	15,000,000.00	1,805	15,000,000.00	3.718	3.770	1,594
166756AL0	17930	TREAS	MTN	CHEVRON CORP	09/16/2022	7,762,944.73	1.018	08/12/2027	8,823,000.00	1,791	8,823,000.00	4.028	4.084	1,594
166756AL0	17933	TREAS	MTN	CHEVRON CORP	09/23/2022	4,360,212.71	1.018	08/12/2027	5,000,000.00	1,784	5,000,000.00	4.241	4.300	1,594
166756AL0	17946	TREAS	MTN	CHEVRON CORP	10/14/2022	4,274,592.11	1.018	08/12/2027	5,000,000.00	1,763	5,000,000.00	4.715	4.780	1,594
166756AL0	17958	TREAS	MTN	CHEVRON CORP	12/08/2022	4,375,508.84	1.018	08/12/2027	5,000,000.00	1,708	5,000,000.00	4.142	4.200	1,594
89236THG3	17940	TREAS	MTN	TOYOTA MOTOR CREDIT	09/28/2022	4,267,788.38	1.150	08/13/2027	5,000,000.00	1,780	5,000,000.00	4.899	4.967	1,595
02079KAJ6	17927	TREAS	MTN	ALPHABET INC	09/12/2022	4,437,914.21	0.800	08/15/2027	5,000,000.00	1,798	5,000,000.00	3.581	3.631	1,597
02079KAJ6	17929	TREAS	MTN	ALPHABET INC	09/15/2022	4,401,768.84	0.800	08/15/2027	5,000,000.00	1,795	5,000,000.00	3.776	3.828	1,597
02079KAJ6	17945	TREAS	MTN	ALPHABET INC	10/14/2022	6,437,366.92	0.800	08/15/2027	7,500,000.00	1,766	7,500,000.00	4.375	4.436	1,597
912810FA1	17964	TREAS	TRC	US TREASURY NOTE	12/23/2022	27,523,267.06	6.375	08/15/2027	25,000,000.00	1,696	25,000,000.00	3.781	3.833	1,597
912810FA1	17965	TREAS	TRC	US TREASURY NOTE	12/23/2022	27,523,267.06	6.375	08/15/2027	25,000,000.00	1,696	25,000,000.00	3.781	3.833	1,597
912810FA1	17966	TREAS	TRC	US TREASURY NOTE	12/23/2022	33,041,162.11	6.375	08/15/2027	30,000,000.00	1,696	30,000,000.00	3.770	3.823	1,597
3133ENJ50	17906	TREAS	FAC	FEDERAL FARM CREDIT	08/26/2022	12,946,999.36	3.125	08/26/2027	13,000,000.00	1,826	13,000,000.00	3.182	3.226	1,608
478160CP7	17926	TREAS	MTN	JOHNSON & JOHNSON	09/12/2022	4,461,968.53	0.950	09/01/2027	5,000,000.00	1,815	5,000,000.00	3.585	3.635	1,614
478160CP7	17941	TREAS	MTN	JOHNSON & JOHNSON	09/28/2022	4,311,448.39	0.950	09/01/2027	5,000,000.00	1,799	5,000,000.00	4.396	4.457	1,614
931142EX7	17923	TREAS	MTN	WALMART	09/09/2022	6,986,576.80	3.950	09/09/2027	7,000,000.00	1,826	7,000,000.00	3.943	3.998	1,622
931142EX7	17924	TREAS	MTN	WALMART	09/09/2022	9,997,159.11	3.950	09/09/2027	10,000,000.00	1,826	10,000,000.00	3.903	3.957	1,622
931142EX7	17931	TREAS	MTN	WALMART	09/22/2022	9,884,491.52	3.950	09/09/2027	10,000,000.00	1,813	10,000,000.00	4.183	4.241	1,622
3130ASVS5	17918	TREAS	FAC	FEDERAL HOME LOAN	09/12/2022	15,405,741.19	3.000	09/10/2027	15,650,000.00	1,824	15,650,000.00	3.337	3.384	1,623
037833DB3	17925	TREAS	MTN	APPLE INC	09/12/2022	24,030,950.28	2.900	09/12/2027	25,000,000.00	1,826	25,000,000.00	3.814	3.867	1,625
037833DB3	17962	TREAS	MTN	APPLE INC	12/20/2022	9,504,611.84	2.900	09/12/2027	10,000,000.00	1,727	10,000,000.00	4.080	4.137	1,625
3133EHYG2	17917	TREAS	FAC	FEDERAL FARM CREDIT	09/13/2022	18,745,751.70	2.430	09/13/2027	19,500,000.00	1,826	19,500,000.00	3.336	3.382	1,626
13063D2U1	17953	TREAS	MUN	STATE OF CALIFORNIA	11/17/2022	59,103,160.42	5.250	10/01/2027	58,115,000.00	1,779	58,115,000.00	4.757	4.823	1,644
3130AUSN5	17982	TREAS	FAC	FEDERAL HOME LOAN	02/14/2023	12,675,083.31	3.500	10/01/2027	12,940,000.00	1,690	12,940,000.00	3.968	4.023	1,644
91282CAU5	17970	TREAS	TRC	US TREASURY NOTE	12/29/2022	25,690,236.98	0.500	10/31/2027	30,000,000.00	1,767	30,000,000.00	3.944	3.999	1,674
91282CFU0	17997	TREAS	TRC	US TREASURY NOTE	03/03/2023	30,081,812.21	4.125	10/31/2027	30,000,000.00	1,703	30,000,000.00	4.339	4.399	1,674

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**County of Fresno
Inventory by Maturity Report**

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CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
89236TKL8	17950	TREAS	MTN	TOYOTA MOTOR CREDIT	11/10/2022	29,965,437.50	5.450	11/10/2027	30,000,000.00	1,826	30,000,000.00	5.404	5.479	1,684
3130AUZK3	17990	TREAS	FAC	FEDERAL HOME LOAN	02/17/2023	59,830,593.90	4.050	01/03/2028	60,000,000.00	1,781	60,000,000.00	4.061	4.117	1,738
3130AUZK3	17993	TREAS	FAC	FEDERAL HOME LOAN	02/22/2023	26,726,047.26	4.050	01/03/2028	26,875,000.00	1,776	26,875,000.00	4.137	4.194	1,738
3133EN5N6	17977	TREAS	FAC	FEDERAL FARM CREDIT	02/07/2023	30,252,128.24	4.000	01/06/2028	30,000,000.00	1,794	30,000,000.00	3.831	3.884	1,741
3130AUTA2	17971	TREAS	FAC	FEDERAL HOME LOAN	02/07/2023	49,409,967.46	3.625	01/07/2028	50,000,000.00	1,795	50,000,000.00	3.847	3.900	1,742
89236TKQ7	17981	TREAS	MTN	TOYOTA MOTOR CREDIT	02/14/2023	20,045,037.72	4.625	01/12/2028	20,000,000.00	1,793	20,000,000.00	4.604	4.668	1,747
89236TKQ7	17991	TREAS	MTN	TOYOTA MOTOR CREDIT	02/17/2023	11,845,677.43	4.625	01/12/2028	11,860,000.00	1,790	11,860,000.00	4.694	4.759	1,747
89236TKQ7	17992	TREAS	MTN	TOYOTA MOTOR CREDIT	02/17/2023	4,996,740.77	4.625	01/12/2028	5,000,000.00	1,790	5,000,000.00	4.681	4.746	1,747
166756AR7	17987	TREAS	MTN	CHEVRON CORP	02/16/2023	16,566,622.87	3.850	01/15/2028	17,000,000.00	1,794	17,000,000.00	4.465	4.527	1,750
478160CK8	17988	TREAS	MTN	JOHNSON & JOHNSON	02/16/2023	4,710,401.16	2.900	01/15/2028	5,000,000.00	1,794	5,000,000.00	4.254	4.313	1,750
478160CK8	17994	TREAS	MTN	JOHNSON & JOHNSON	03/02/2023	4,671,008.08	2.900	01/15/2028	5,000,000.00	1,780	5,000,000.00	4.473	4.535	1,750
037833EC0	17979	TREAS	MTN	APPLE INC	02/10/2023	8,674,472.14	1.200	02/08/2028	10,000,000.00	1,824	10,000,000.00	4.205	4.263	1,774
037833EC0	17983	TREAS	MTN	APPLE INC	02/15/2023	4,309,479.39	1.200	02/08/2028	5,000,000.00	1,819	5,000,000.00	4.346	4.406	1,774
037833EC0	17986	TREAS	MTN	APPLE INC	02/16/2023	8,602,220.00	1.200	02/08/2028	10,000,000.00	1,818	10,000,000.00	4.388	4.449	1,774
037833EC0	17996	TREAS	MTN	APPLE INC	03/02/2023	12,768,344.43	1.200	02/08/2028	15,000,000.00	1,804	15,000,000.00	4.624	4.688	1,774
3133EPAV7	17984	TREAS	FAC	FEDERAL FARM CREDIT	02/15/2023	19,885,805.81	3.875	02/14/2028	20,000,000.00	1,825	20,000,000.00	3.953	4.008	1,780
3133EPAV7	17985	TREAS	FAC	FEDERAL FARM CREDIT	02/15/2023	46,733,658.77	3.875	02/14/2028	47,000,000.00	1,825	47,000,000.00	3.952	4.007	1,780
3133EPAV7	17989	TREAS	FAC	FEDERAL FARM CREDIT	02/16/2023	4,948,944.63	3.875	02/14/2028	5,000,000.00	1,824	5,000,000.00	4.058	4.114	1,780
Subtotal and Average						7,151,730,922.58			7,190,929,954.58		7,190,929,954.58	2.438	2.472	884
Net Maturities and Average						7,151,730,922.58			7,190,929,954.58		7,190,929,954.58	2.438	2.472	884



Quarterly Economic and Market Update

March 2023

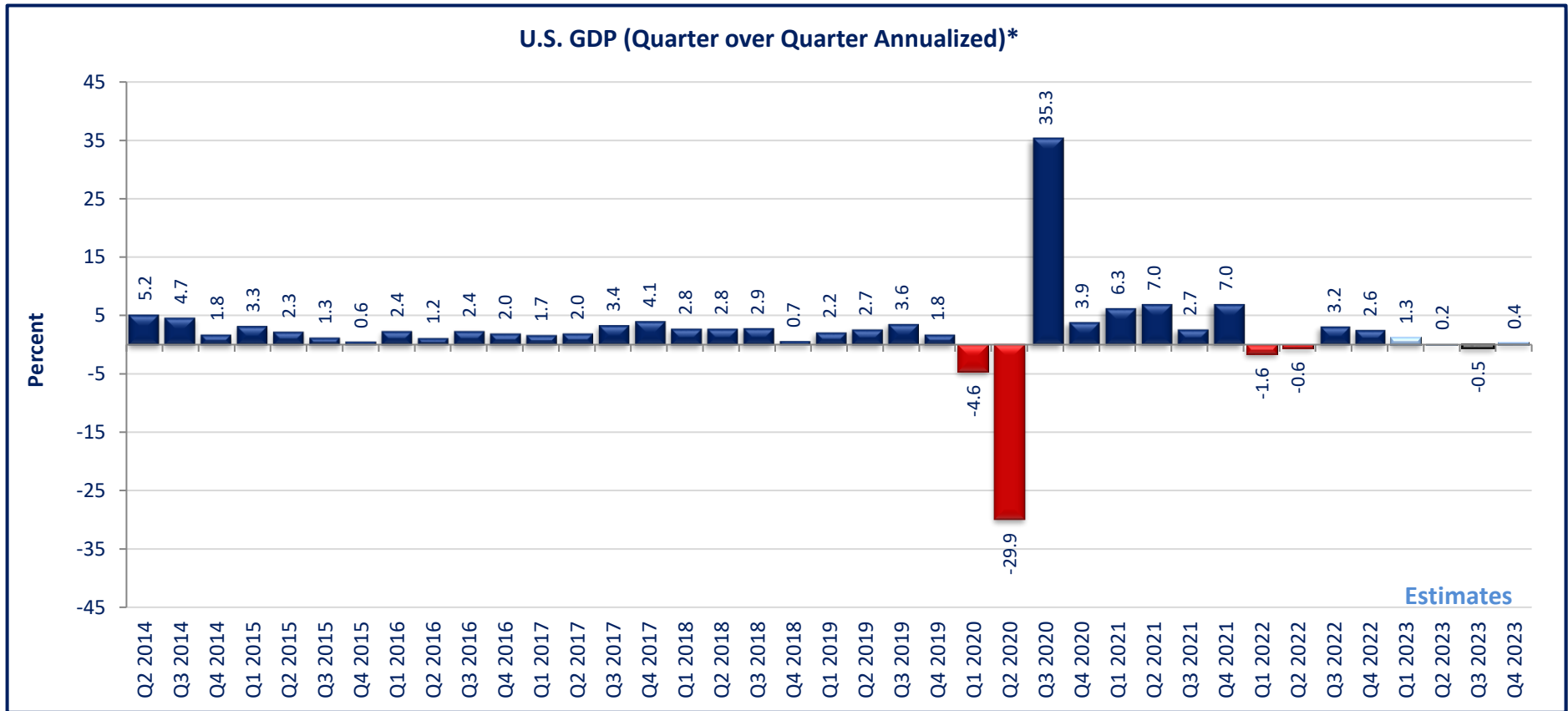
Economic and Market Update
3/31/2023

Item	3/31/2023	12/31/2022	Change
U.S. Payrolls Monthly Change	236,000	239,000	(3,000)
Unemployment Rate	3.5%	3.5%	0.0%
Labor Force Participation	62.6%	62.3%	0.3%
Effective Fed Funds Rate	4.83%	4.33%	0.50%
3 Month T-Bill	4.75%	4.37%	0.38%
2 Year T-Note	4.03%	4.43%	(0.40%)
3 Year T-Note	3.79%	4.23%	(0.44%)
5 Year T-Note	3.58%	4.01%	(0.43%)
10 Year T-Note	3.47%	3.88%	(0.41%)
U.S. Fed Debt Avg Yield*	2.61%	2.32%	0.29%
30 Year Mortgage Rate	6.81%	5.83%	0.98%
1-5 Yr Agency Spread	0.10%	0.08%	0.02%
1-5 Yr A-AAA Corporate Spread	0.76%	0.68%	0.08%
Dow Jones	33,274	33,147	0.4%
S&P 500	4,109	3,840	7.0%
Consumer Price Index YOY*	5.8%	6.5%	(0.7%)
U.S. Avg Regular Unleaded	\$3.50	\$3.21	\$0.30
Retail Sales YOY*	4.2%	6.2%	(2.0%)
Case-Shiller Home Prices YOY*	2.5%	4.6%	(2.1%)
Gold (per ounce)	\$1,969.28	\$1,824.02	\$145.26
Dollar Index	102.51	103.52	(1.02)
Consumer Confidence	102.9	106.0	(3.1)

*Estimates for the current quarter/month, some data are lagged

Sources: FHN Main Street and Bloomberg

Economic and Market Update
3/31/2023



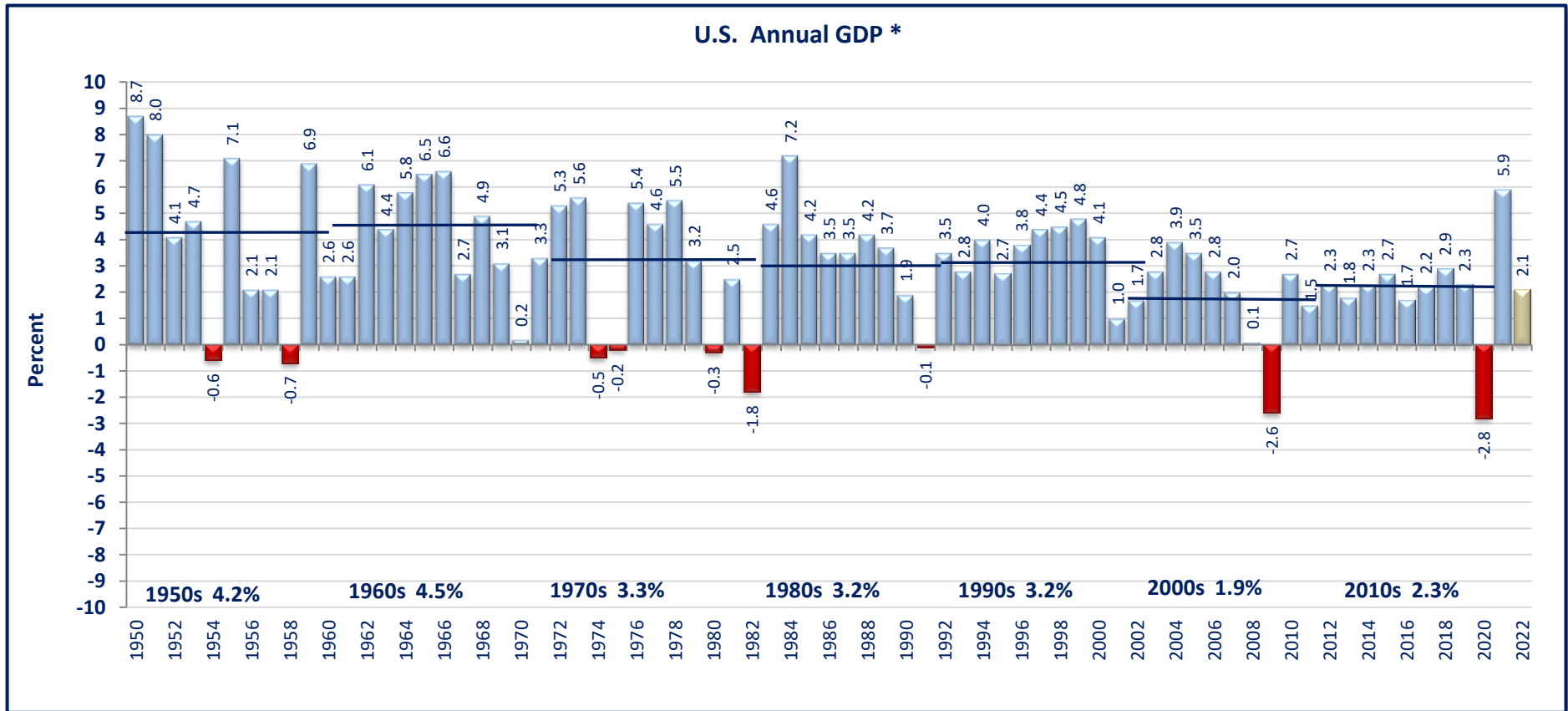
* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 3/31/2023

Economic and Market Update 3/31/2023



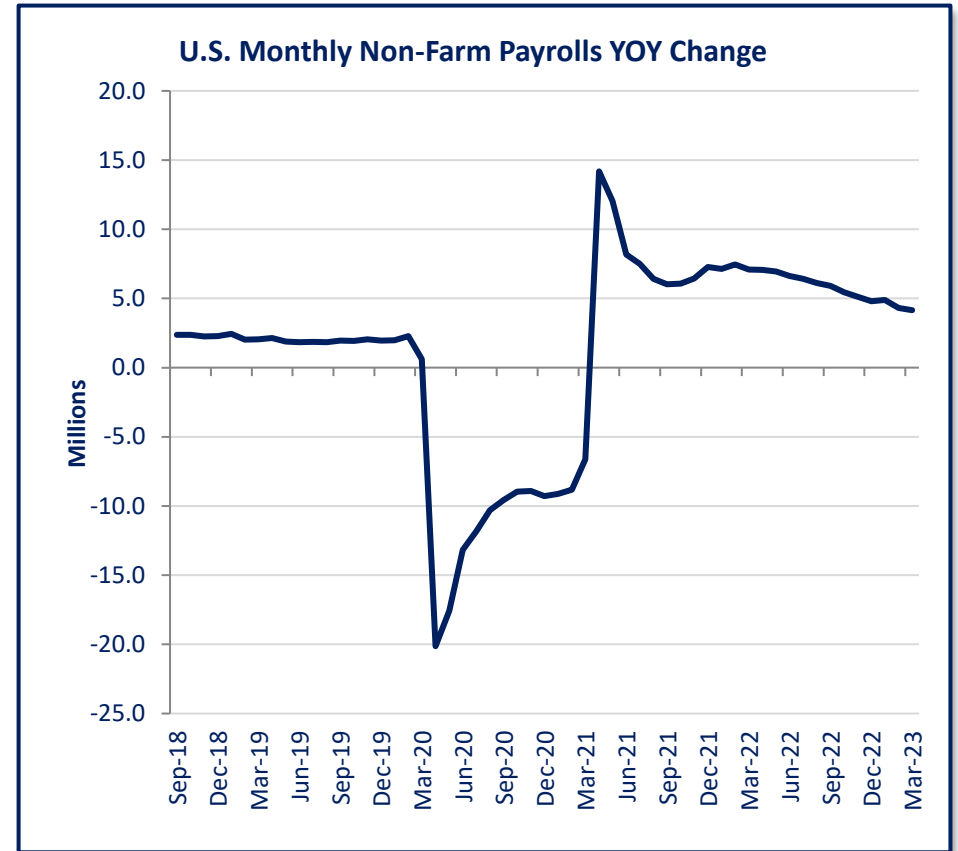
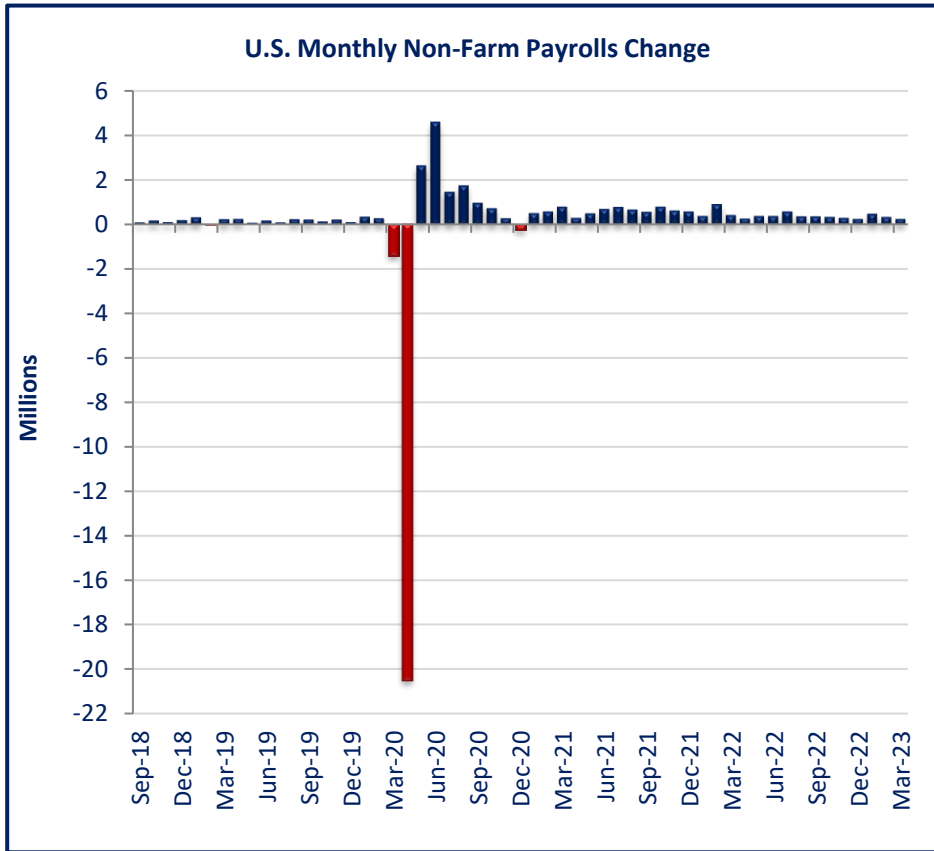
* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 3/31/2023

Economic and Market Update
3/31/2023



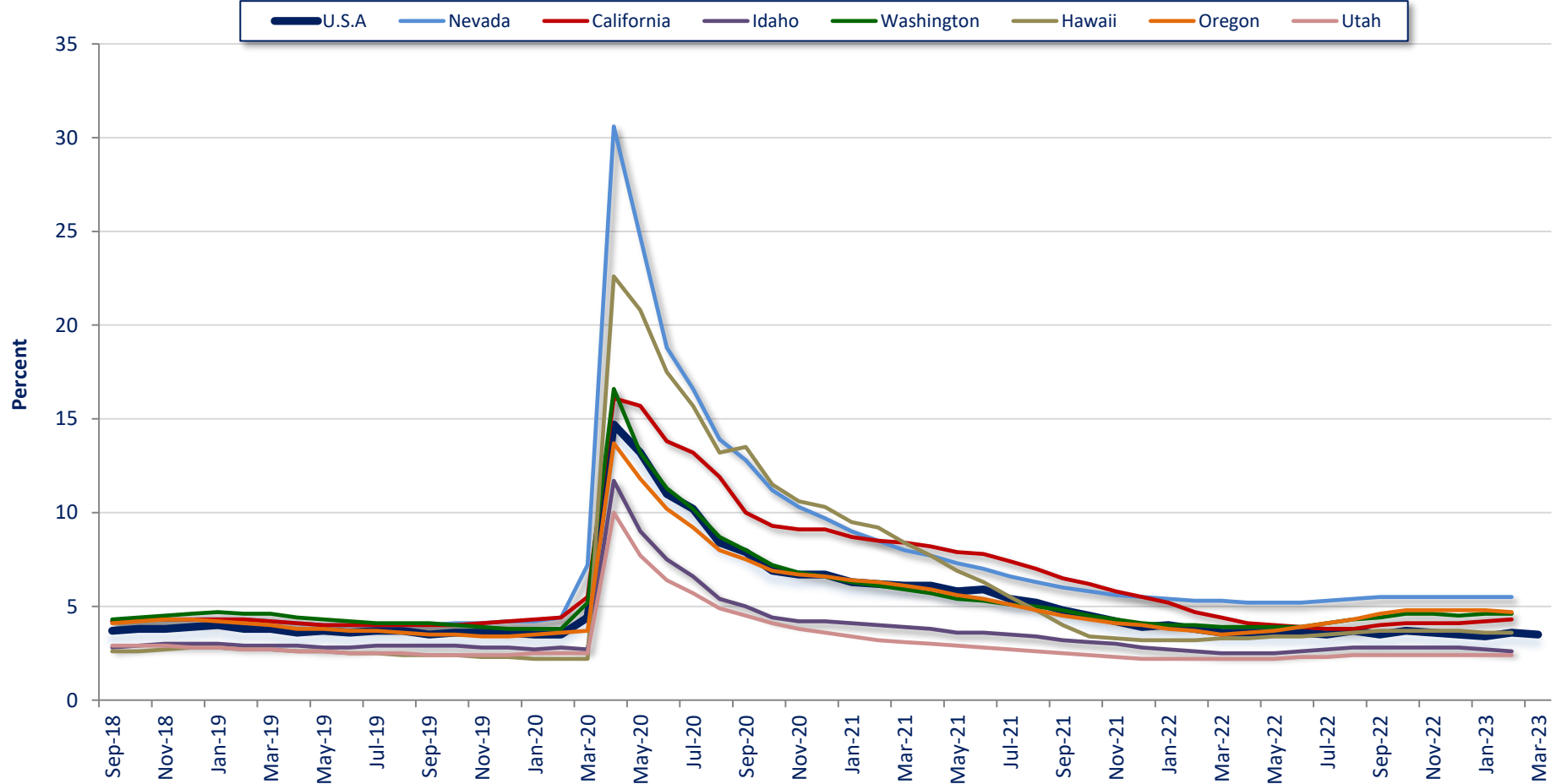
12 Month Average Job Change

345,417

Source: Bureau of Labor Statistics

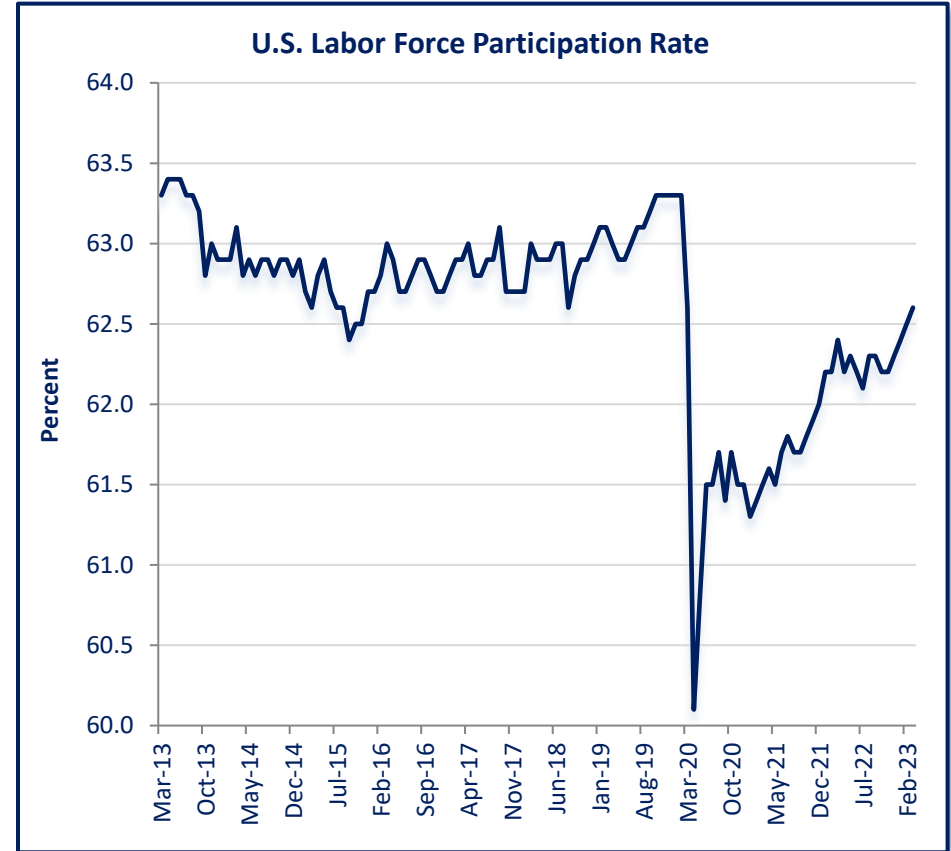
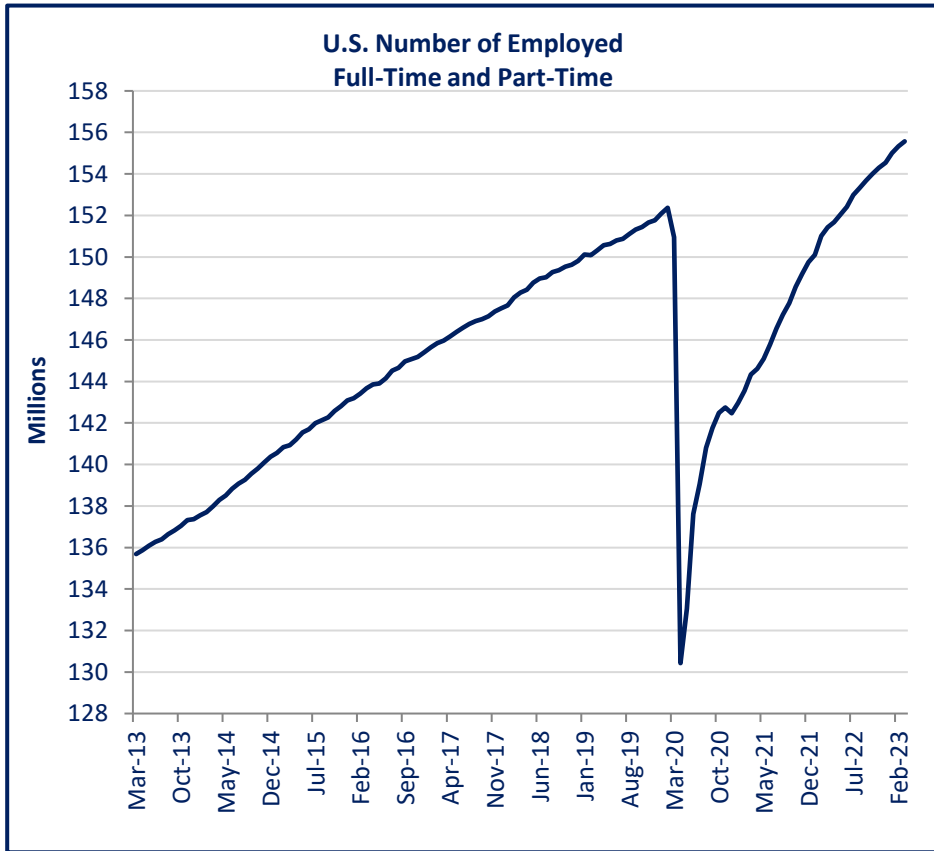
Economic and Market Update 3/31/2023

Unemployment Rates

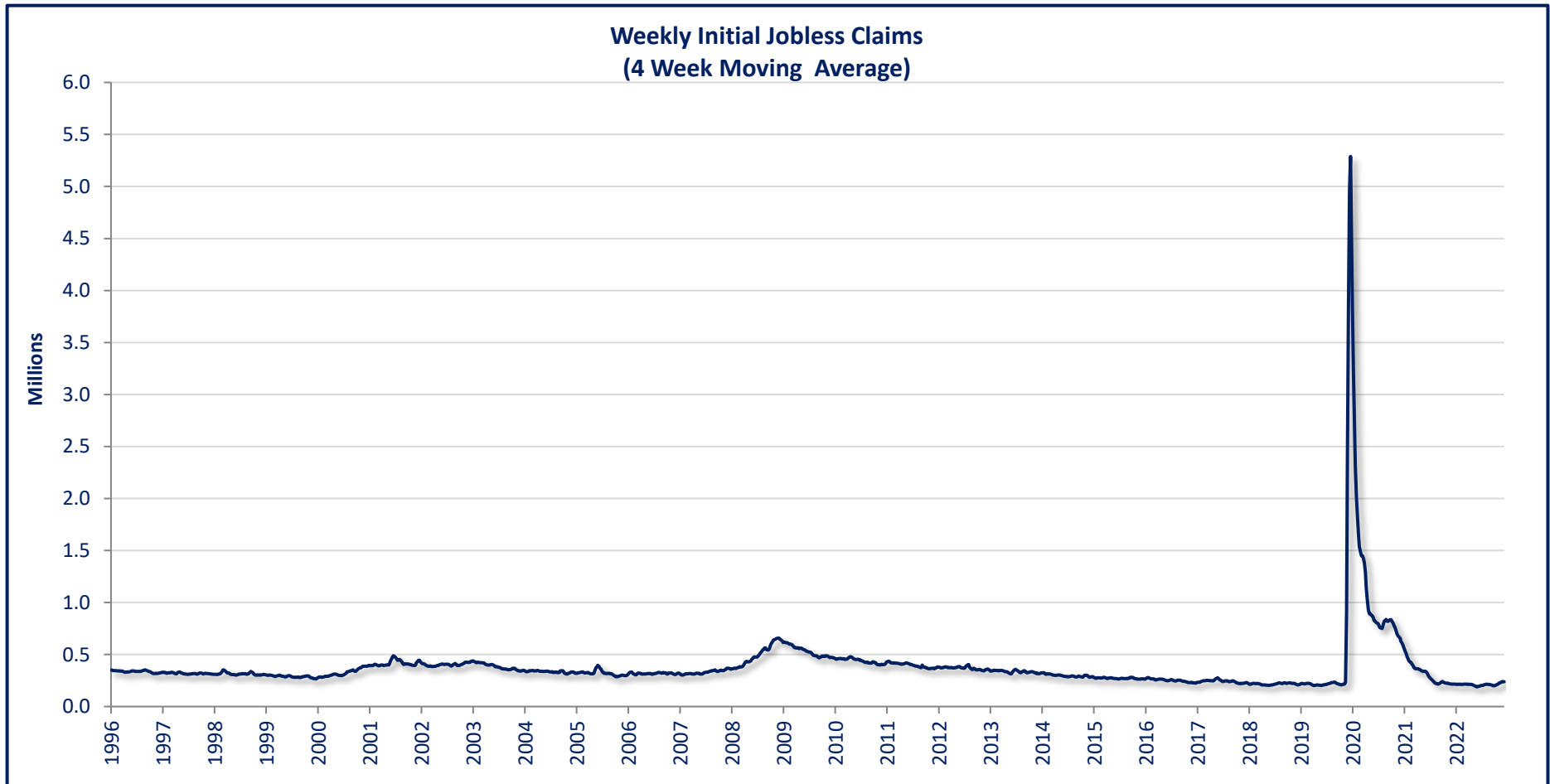


Source: Bureau of Labor Statistics

Economic and Market Update
3/31/2023



Source: Bureau of Labor Statistics

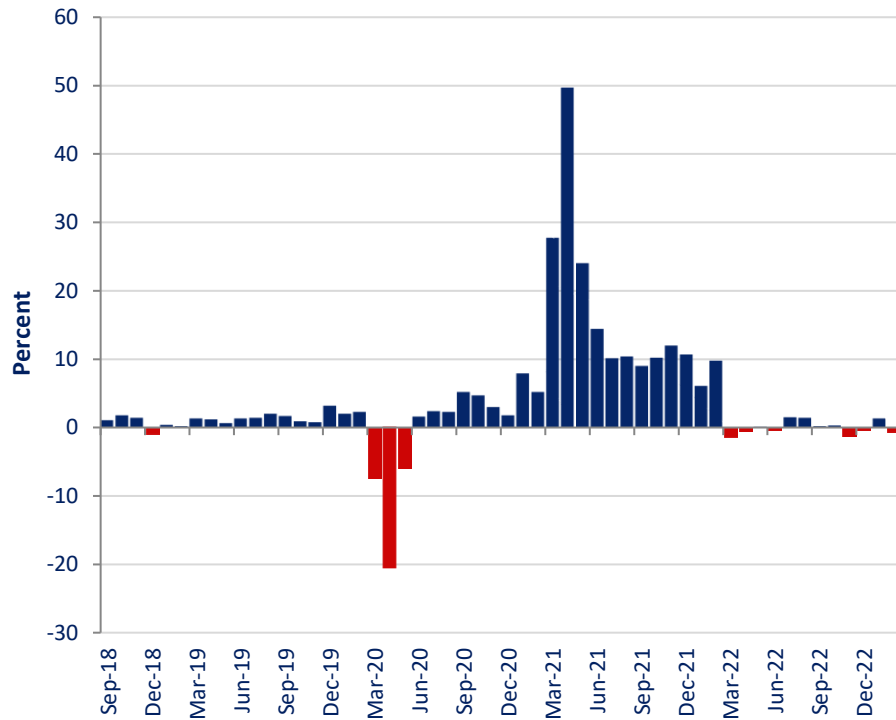


Weekly Initial Jobless Claims is the actual number of people who have filed for Unemployment benefits for the first time. The following five eligibility criteria must be met in order to file for unemployment benefits: 1. Meet the requirements of time worked during a 1 year period (full time or not). 2. Become unemployed through no fault of your own (cannot be fired). 3. Must be able to work; no physical or mental holdbacks. 4. Must be available for work. 5. Must be actively seeking work.

Source: Department of Labor and Bloomberg

Economic and Market Update
3/31/2023

U.S. Real* Retail Sales YOY % Change



*Real: Inflation Adjusted

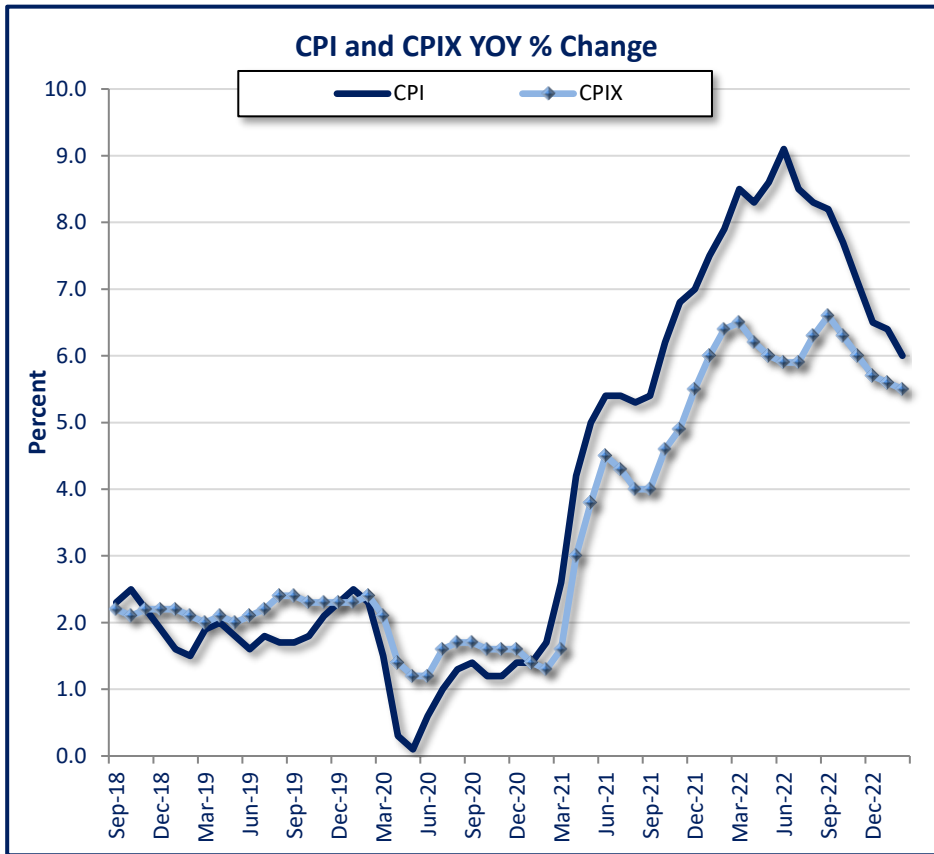
Source: U.S. Census Bureau

U.S. Consumer Confidence

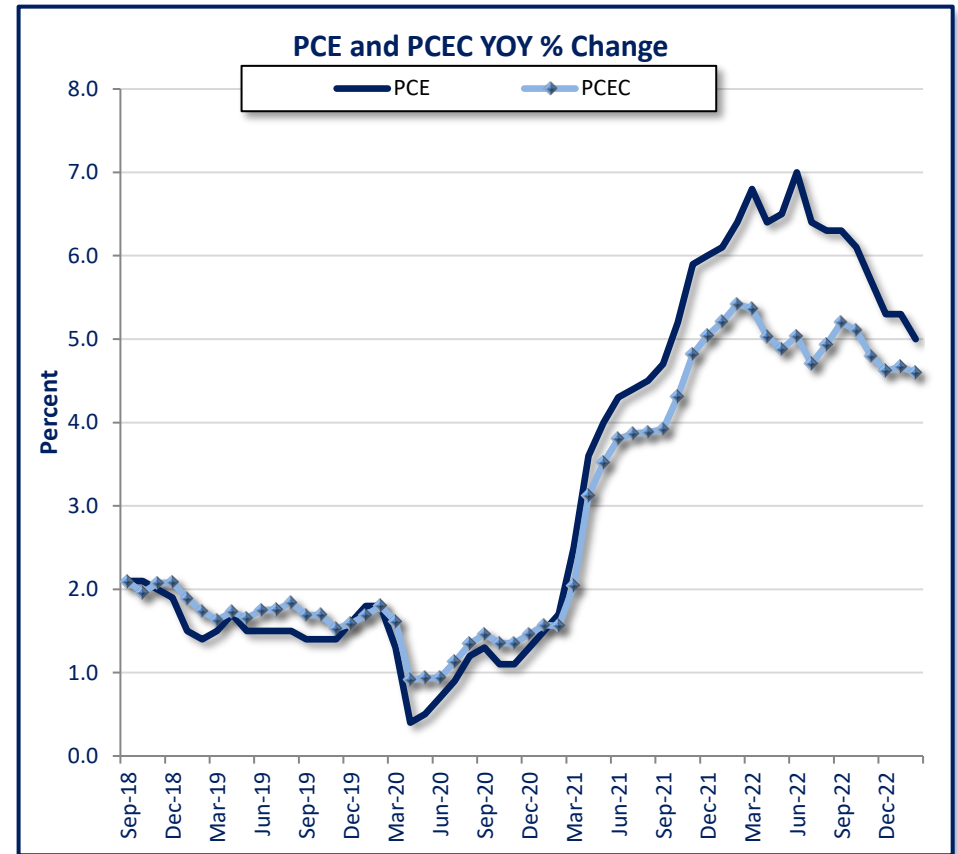


Source: Conference Board

Economic and Market Update 3/31/2023



CPIX: Consumer Price Index, excluding food and energy

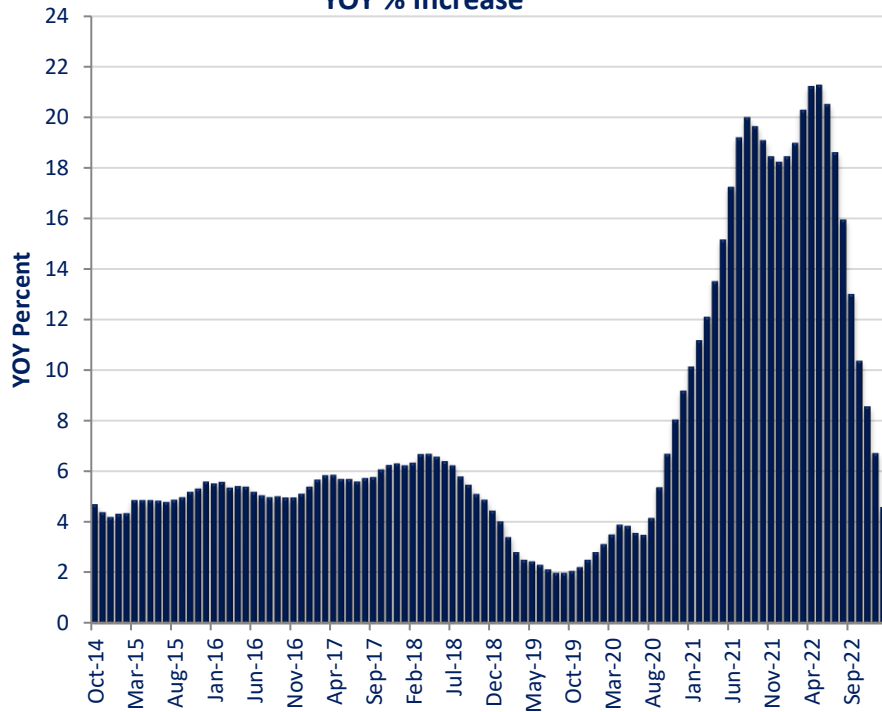


PCEC: Personal Consumption Expenditure Core

Source: Bureau of Labor Statistics and Bureau of Economic Analysis

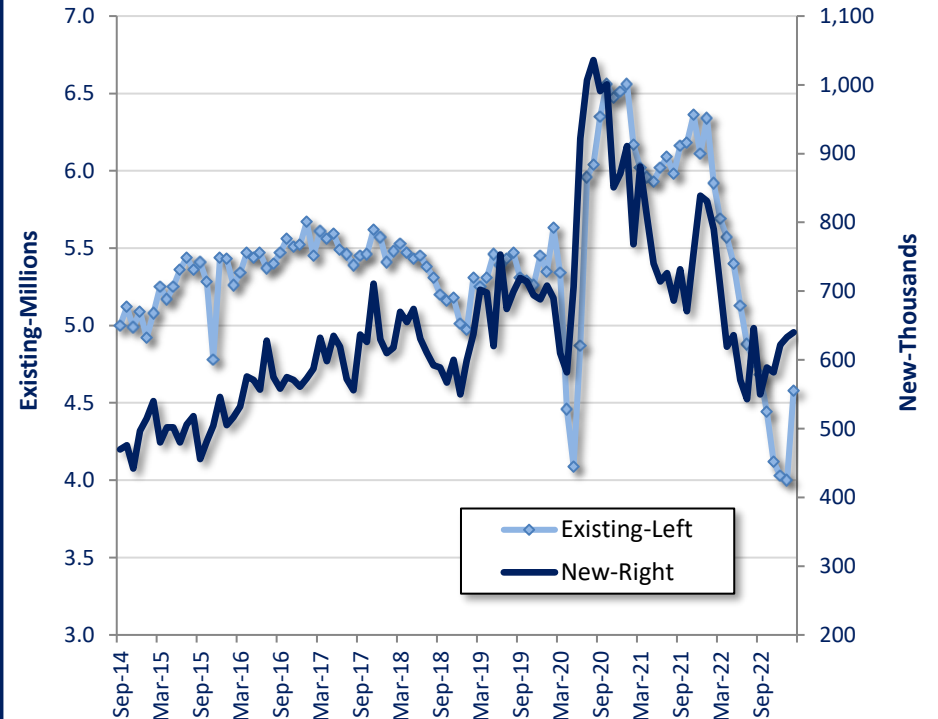
Economic and Market Update
3/31/2023

Case-Shiller 20 City U.S. Home Price Index
YOY % Increase



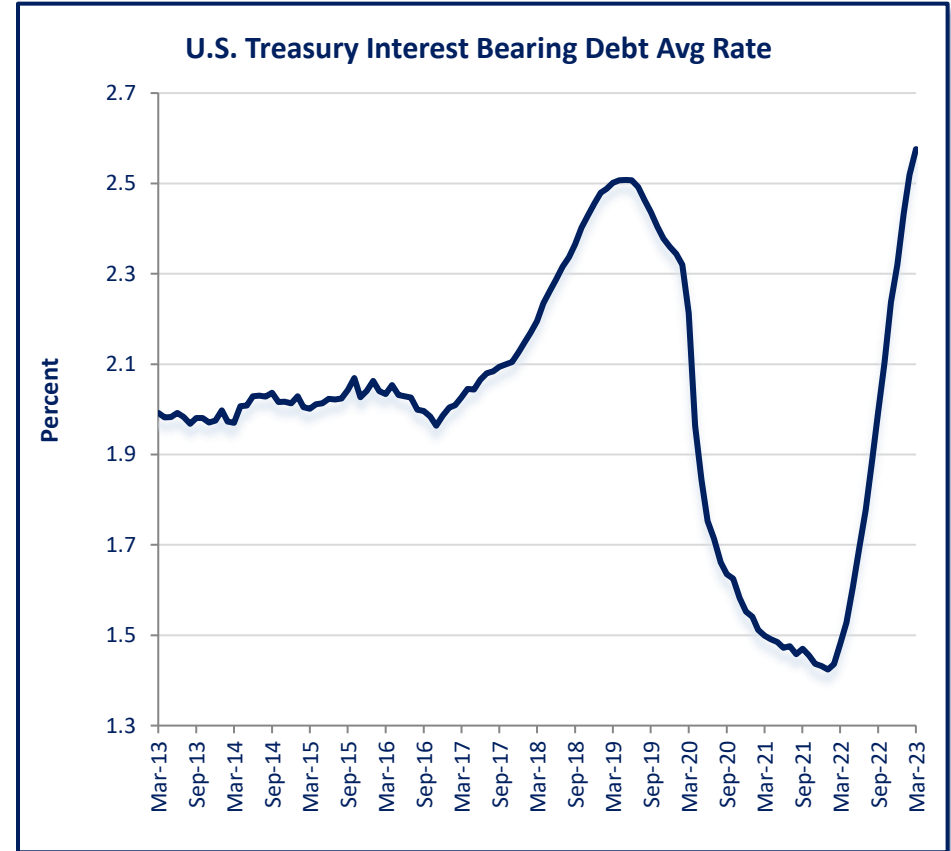
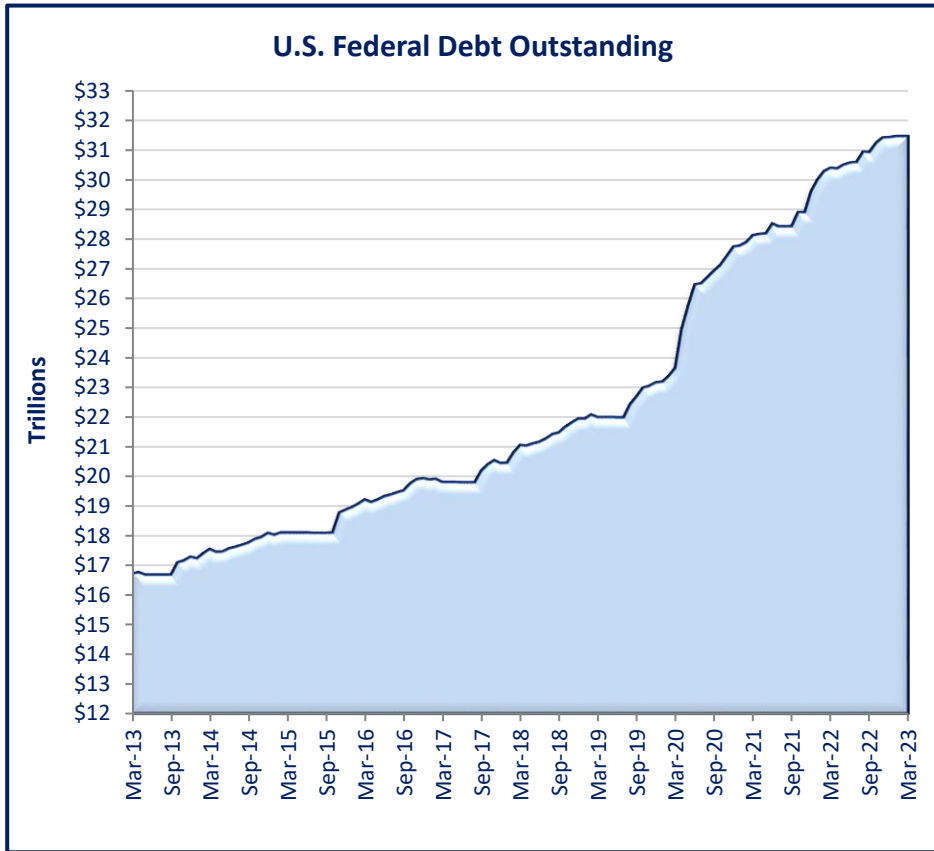
Source: Case-Shiller

U.S. New and Existing Home Sales



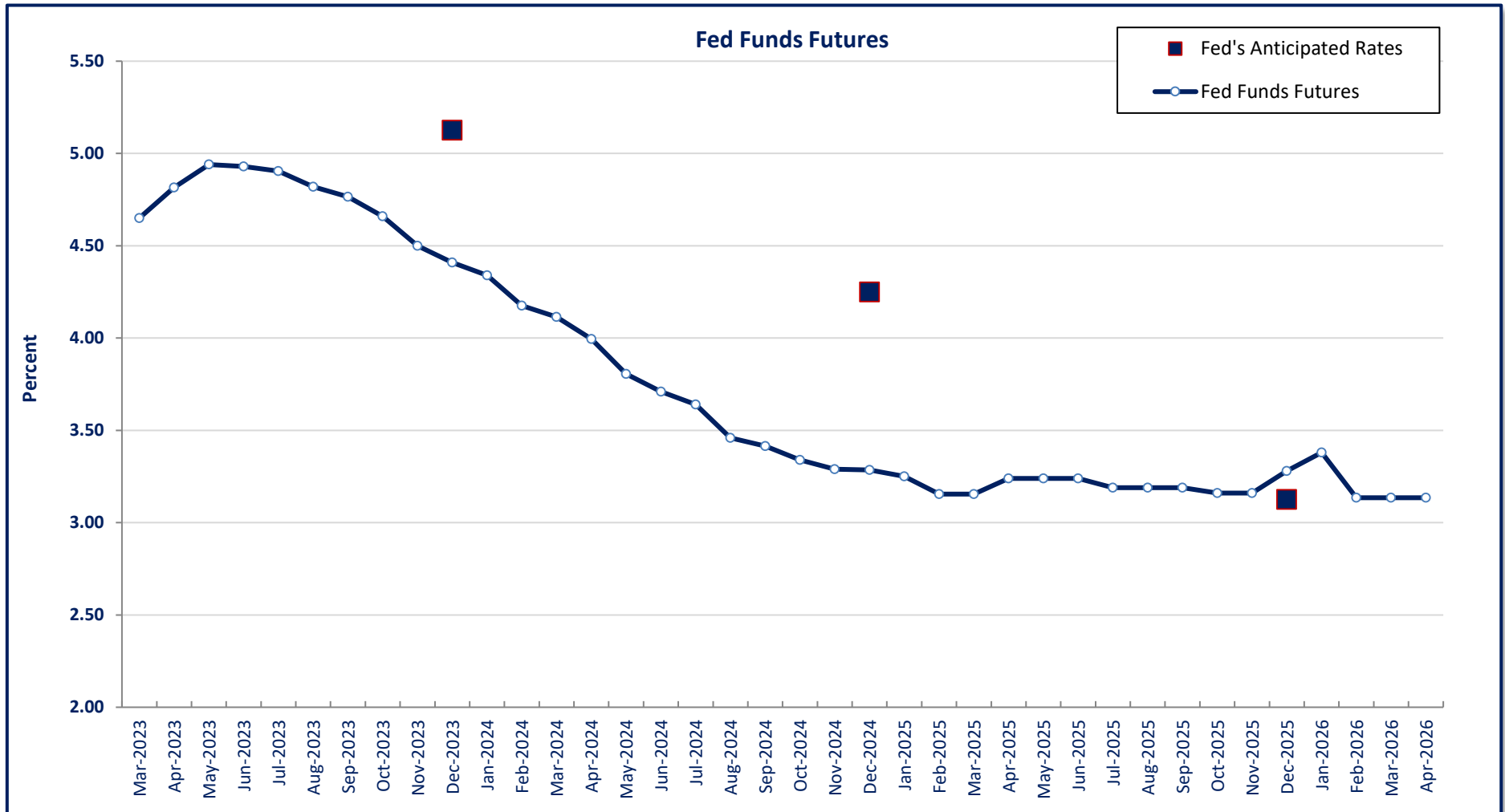
Sources: New (U.S. Census Bureau), Existing (National Assoc. of Realtors)
Seasonally Adjusted Annual Rate

Economic and Market Update
3/31/2023



Source: U.S. Treasury

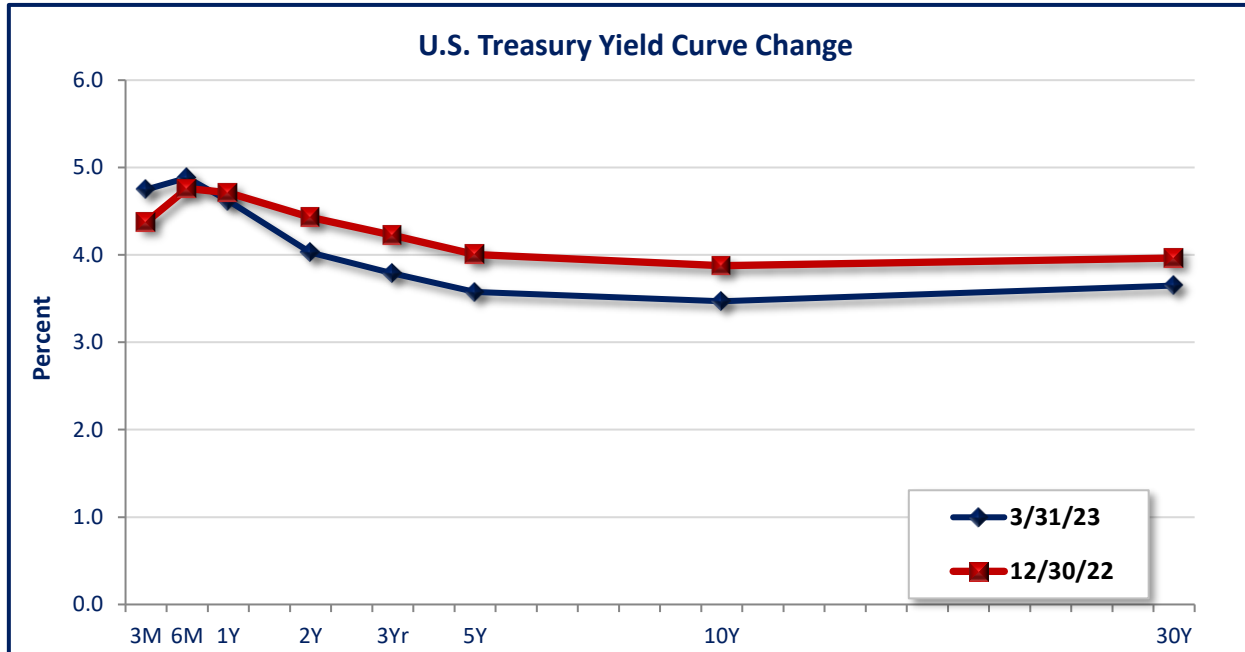
Economic and Market Update
3/31/2023



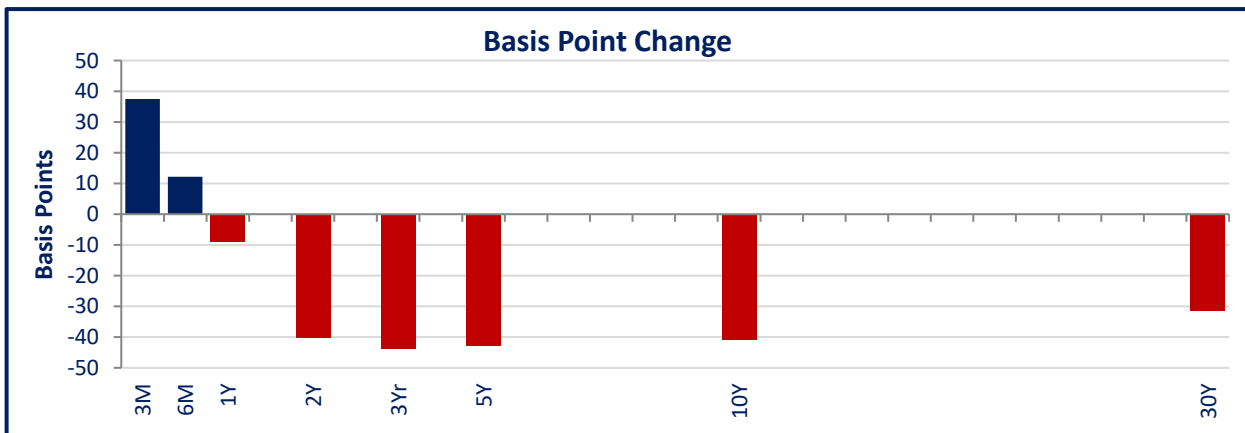
Fed Funds Anticipated Rate from the September 21, 2022 FOMC Meeting

Source: Bloomberg

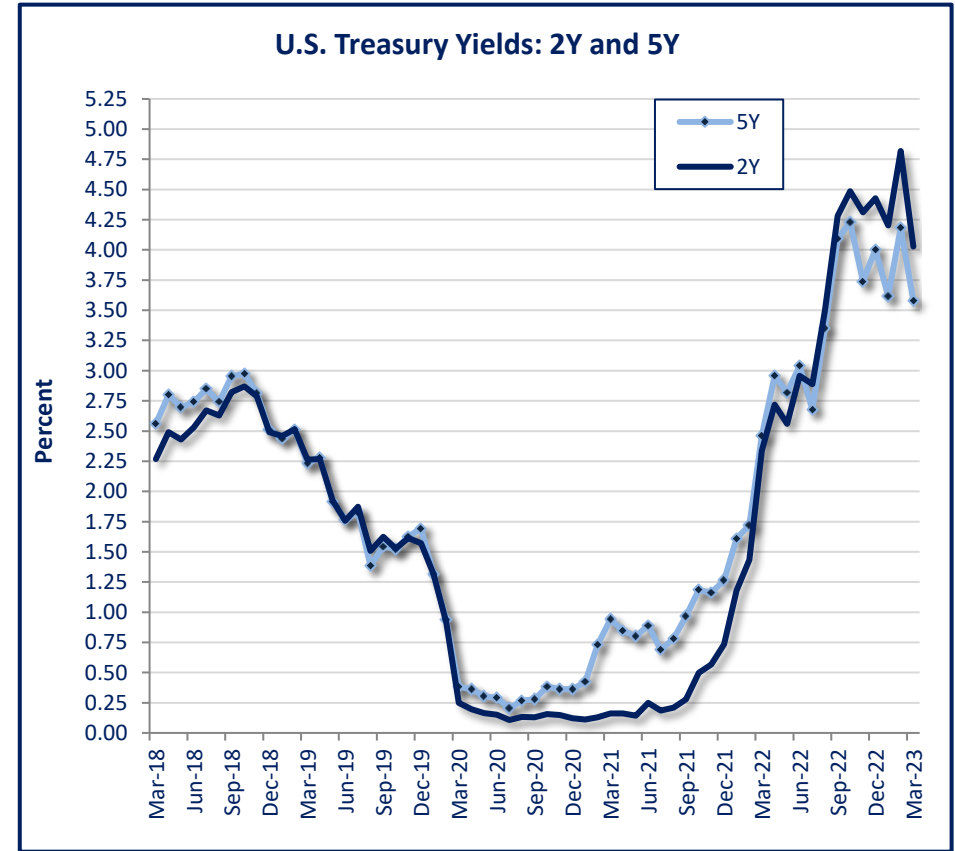
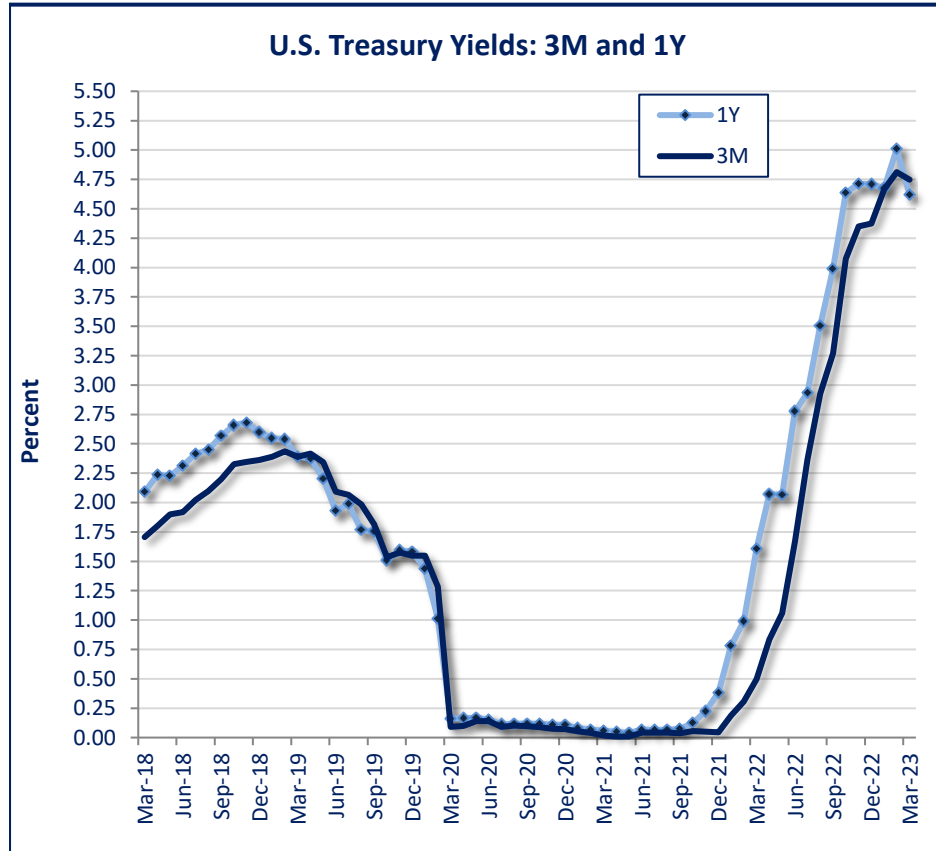
Economic and Market Update 3/31/2023



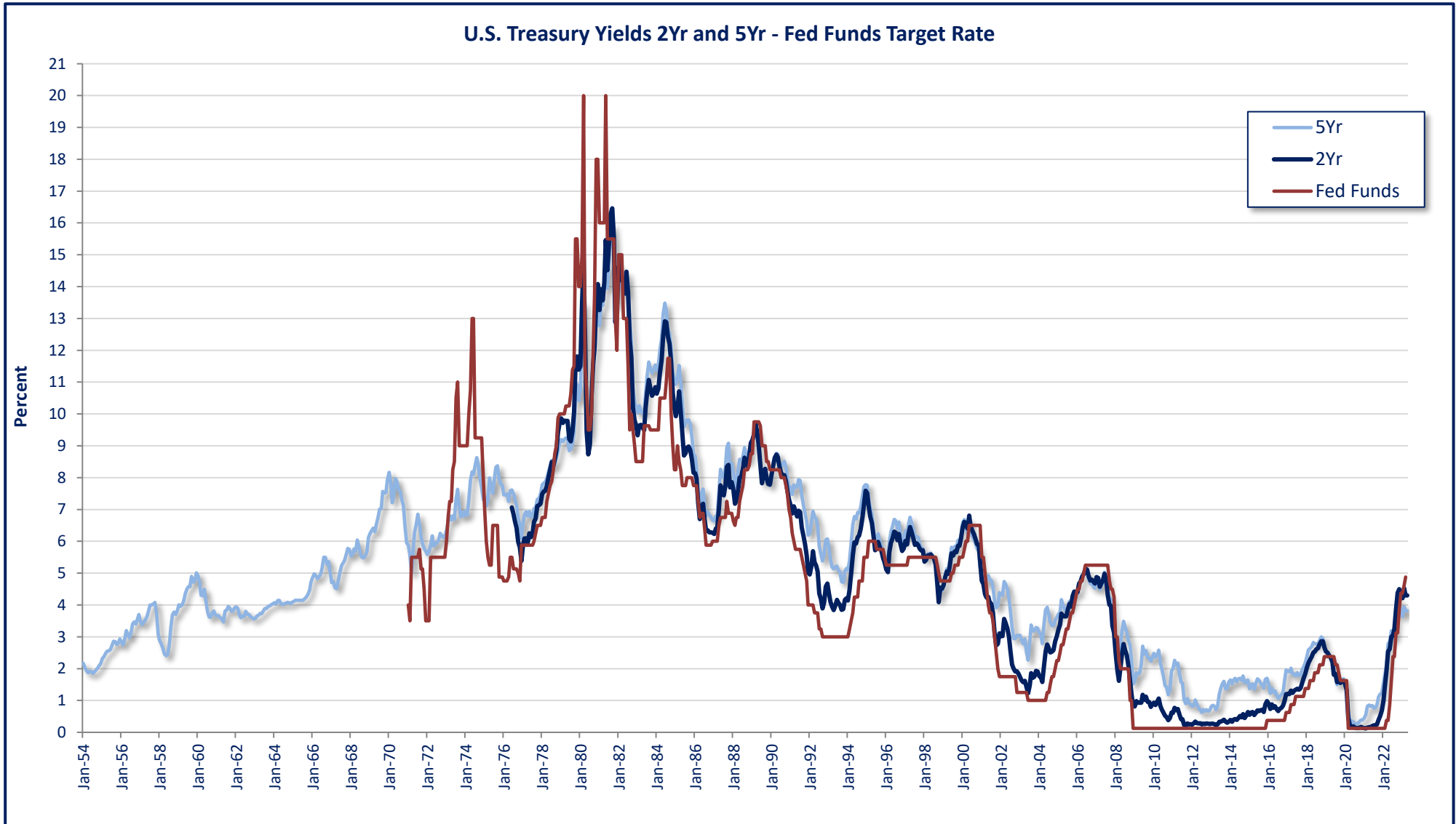
Maturity	3/31/23	12/30/22	Change
3M	4.75	4.37	0.38
6M	4.88	4.76	0.12
1Y	4.62	4.71	-0.09
2Y	4.03	4.43	-0.40
3Y	3.79	4.23	-0.44
5Y	3.58	4.01	-0.43
10Y	3.47	3.88	-0.41
30Y	3.65	3.97	-0.32



Source: Bloomberg
Figures may not total due to rounding

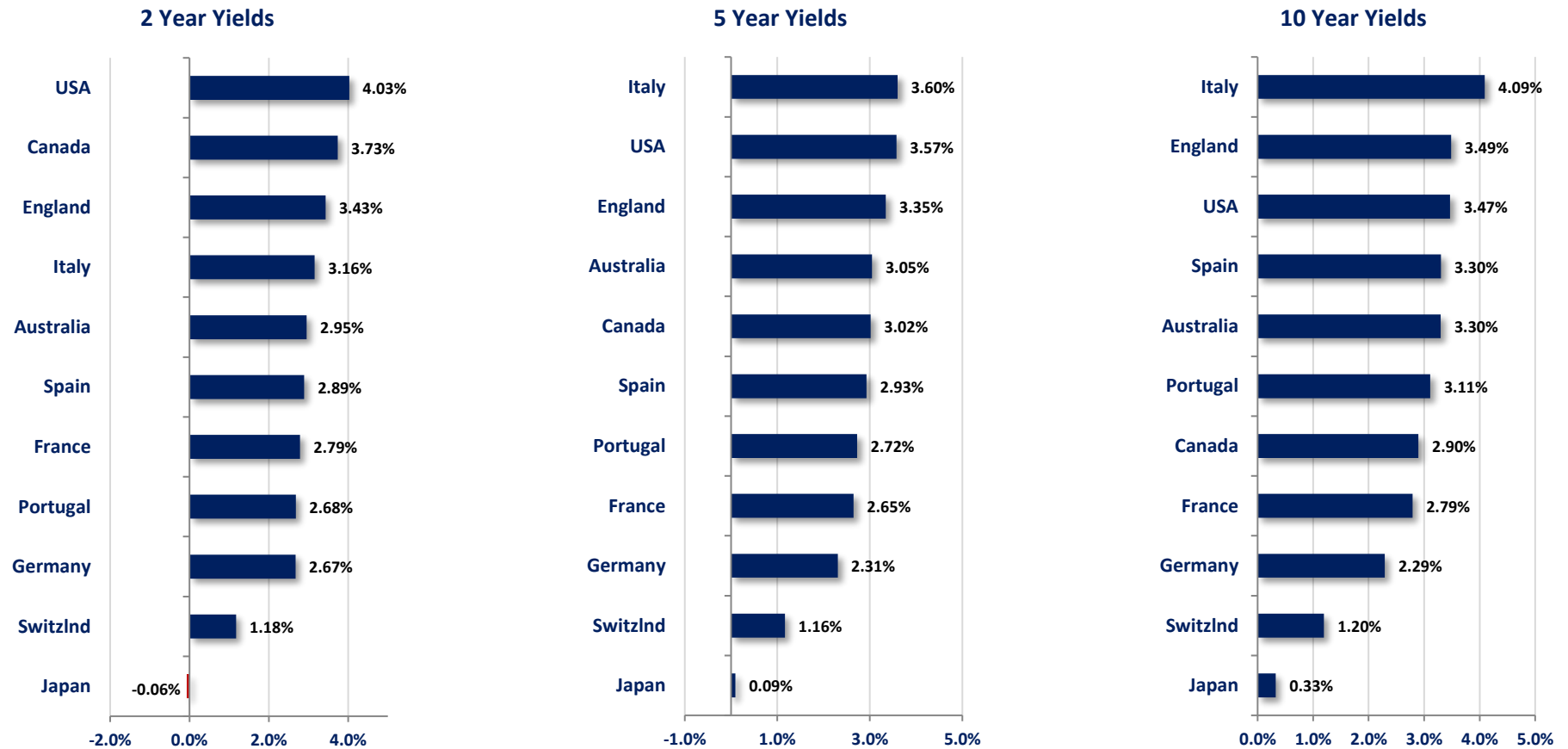


Source: Bloomberg



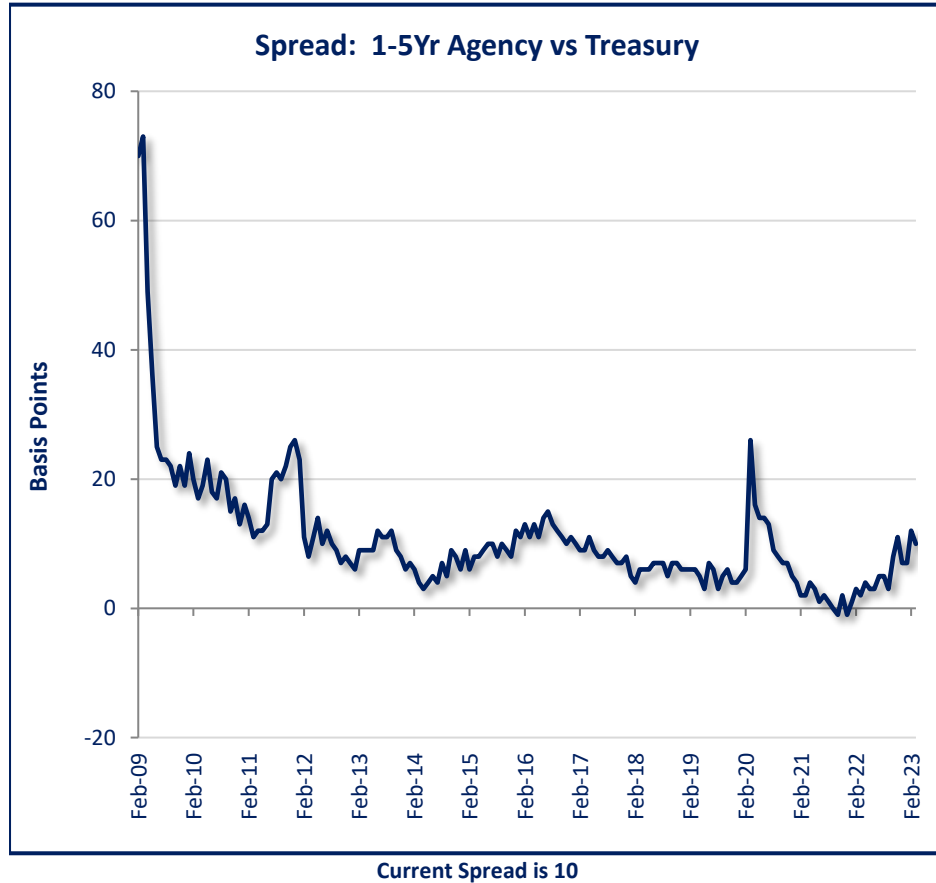
Source: Bloomberg

Global Treasury Rates

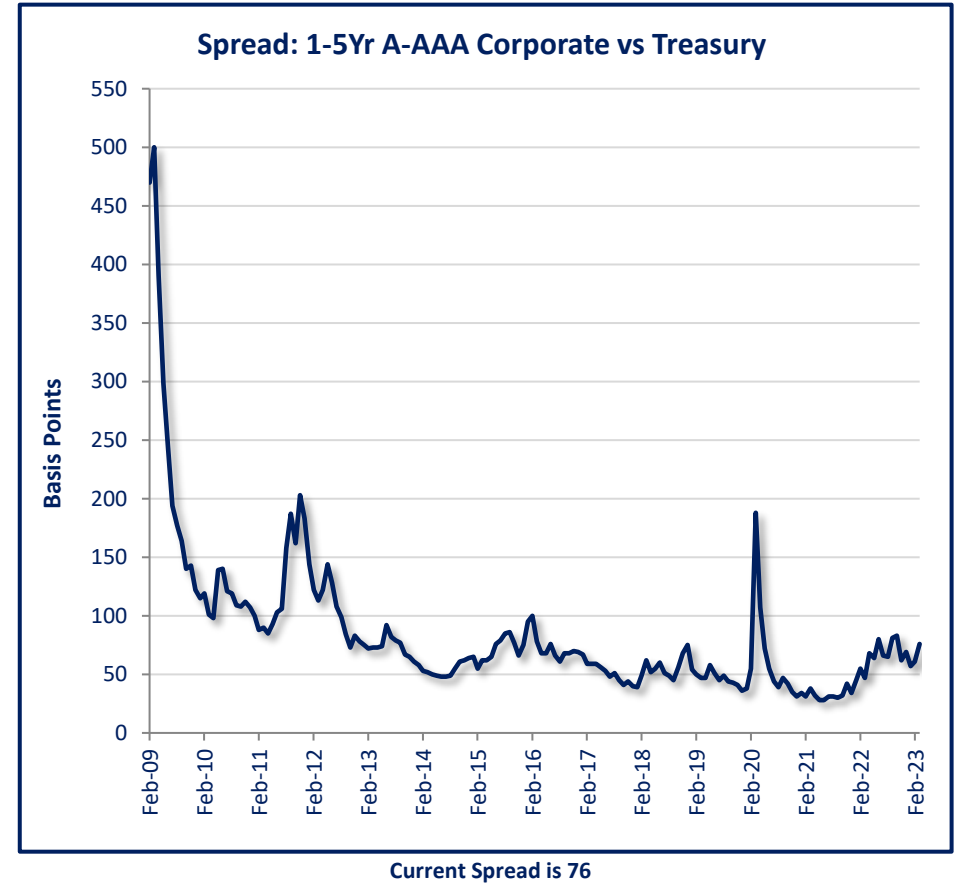


Source: Bloomberg

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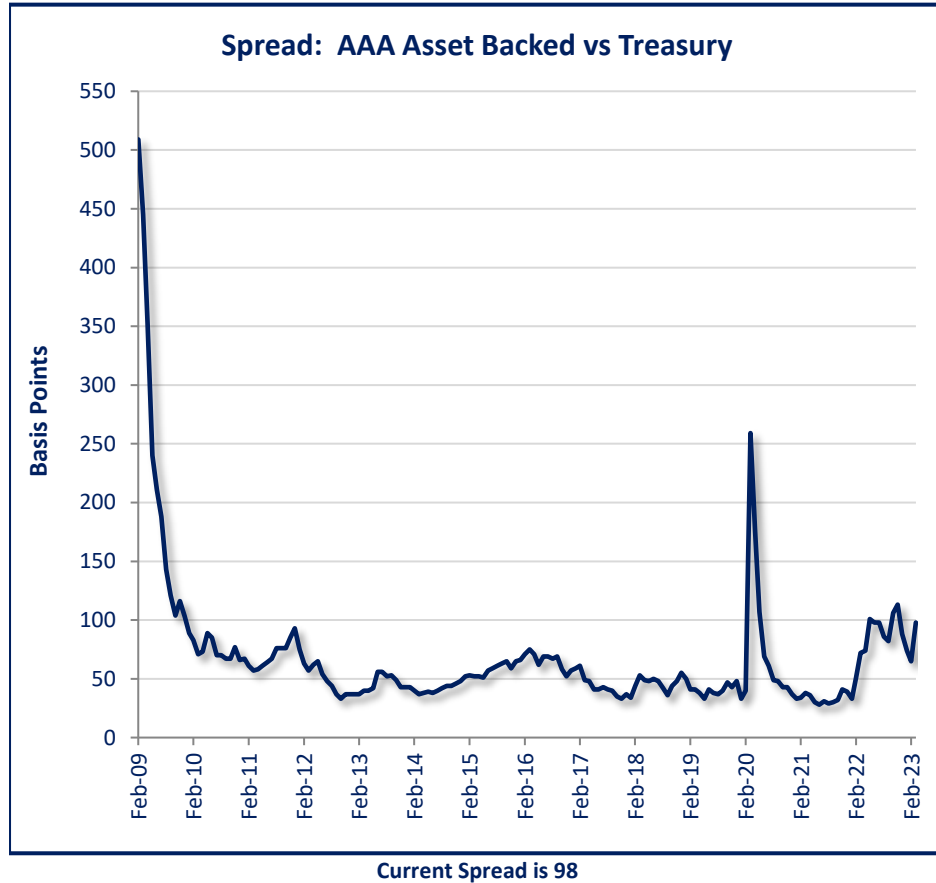
ICE BofAML Index (option adjusted spread vs. Treasury)
1-5Yr Non-Callable Agency (GVPB)



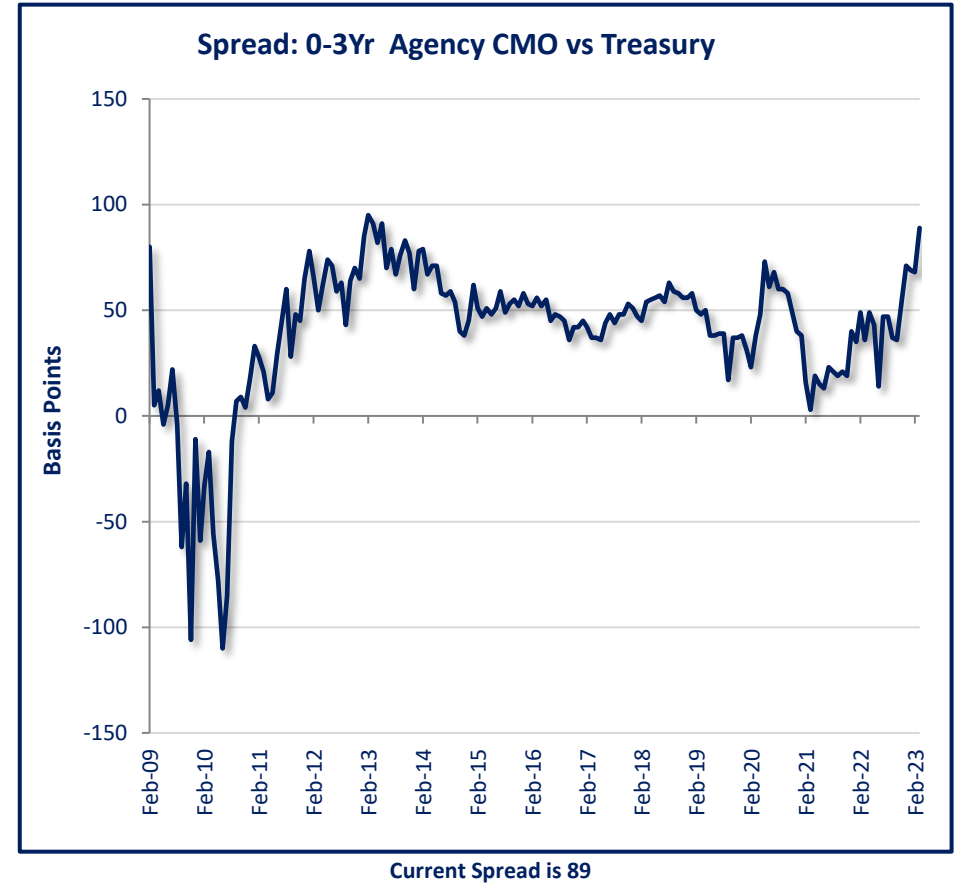
ICE BofAML Index (option adjusted spread vs. Treasury)
Corporate A-AAA Excluding Yankee (CVAC)

Source: ICE BofAML Indices

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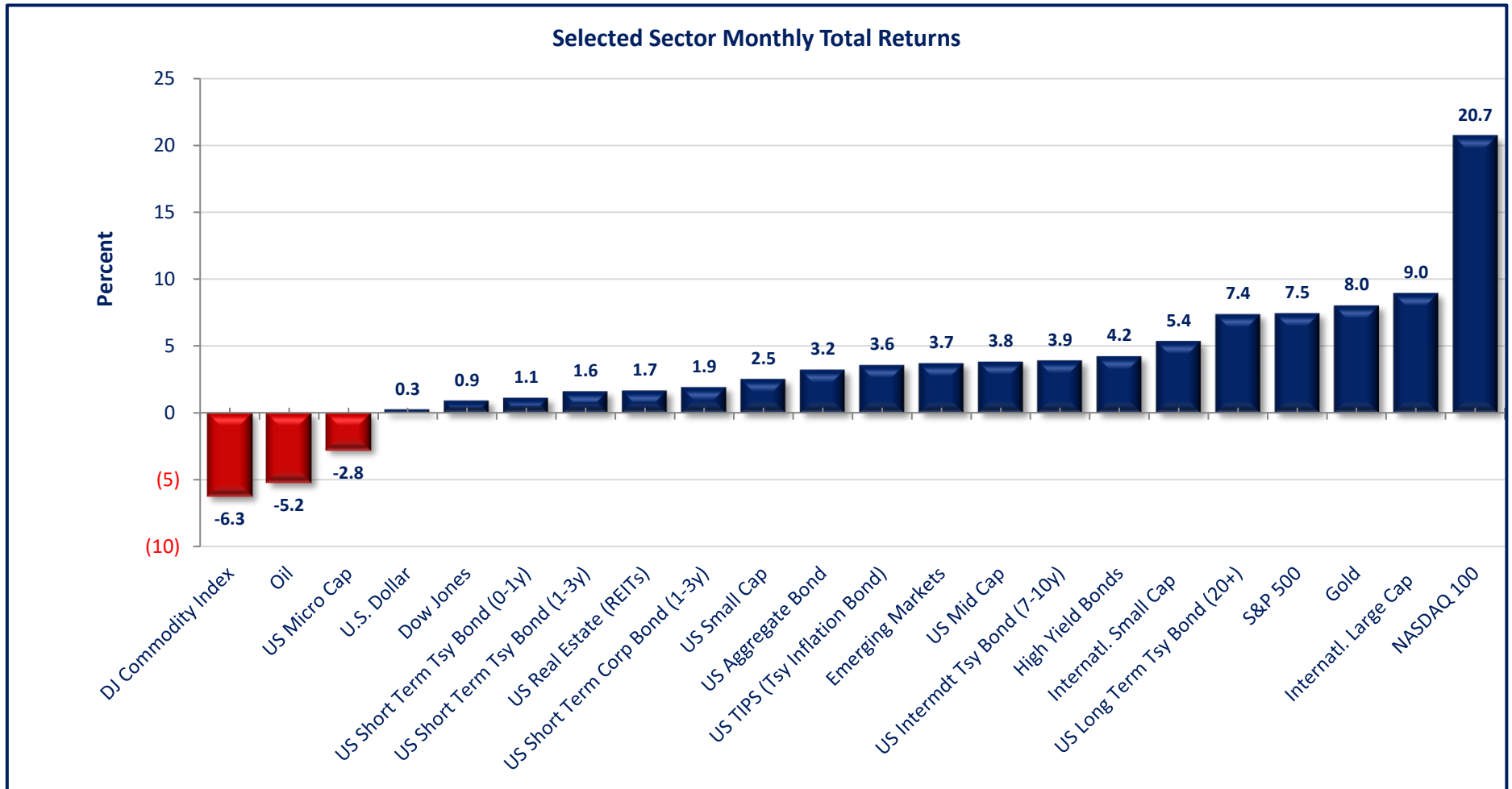
*ICE BofAML Index (option adjusted spread vs. Treasury)
AAA Rated ABS (ROA1)



*ICE BofAML Index (option adjusted spread vs. Treasury)
CMO Agency 0-3Yr PAC (CM1P)

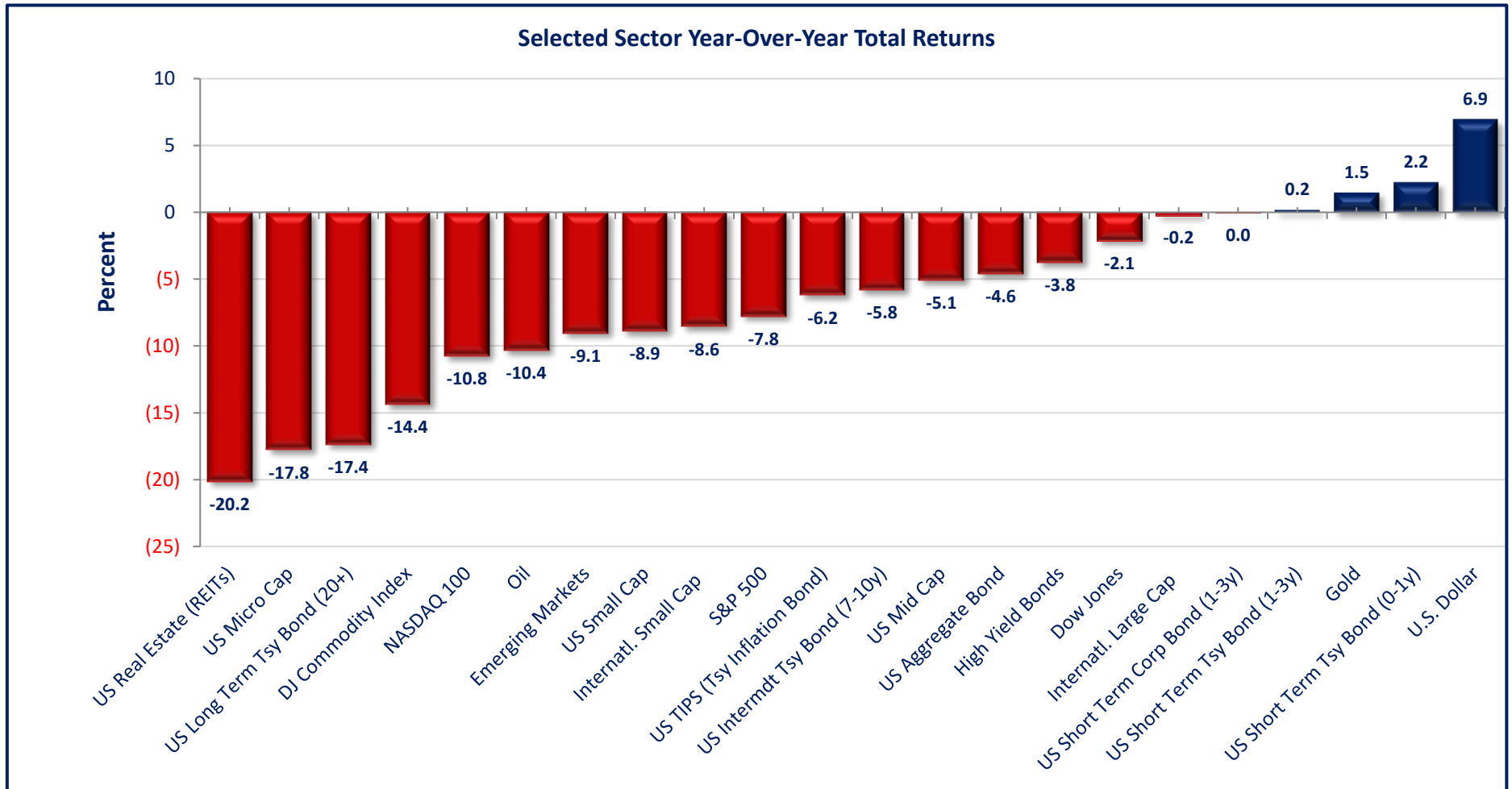
Source: ICE BofAML Indices

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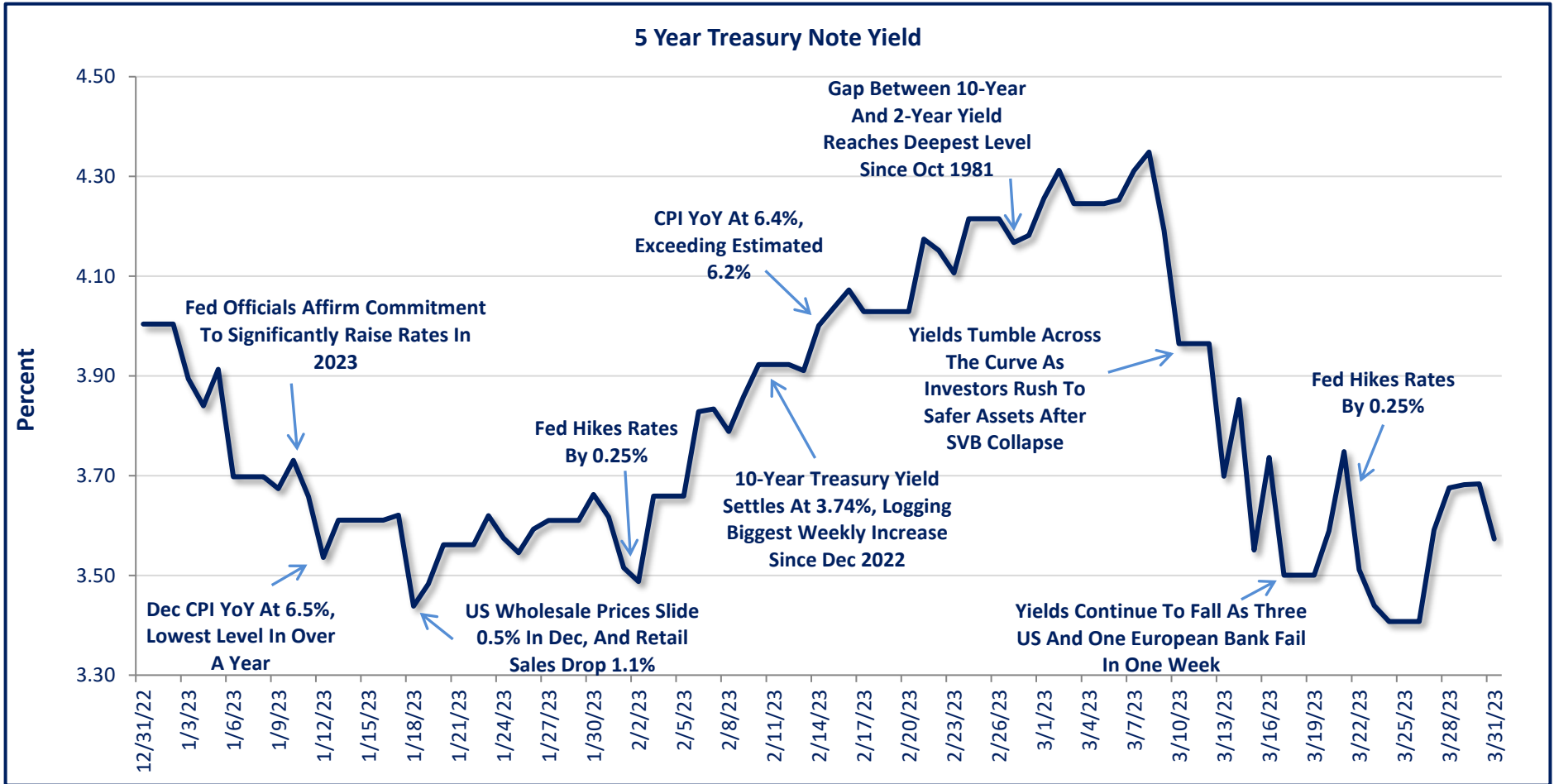
Source: Bloomberg

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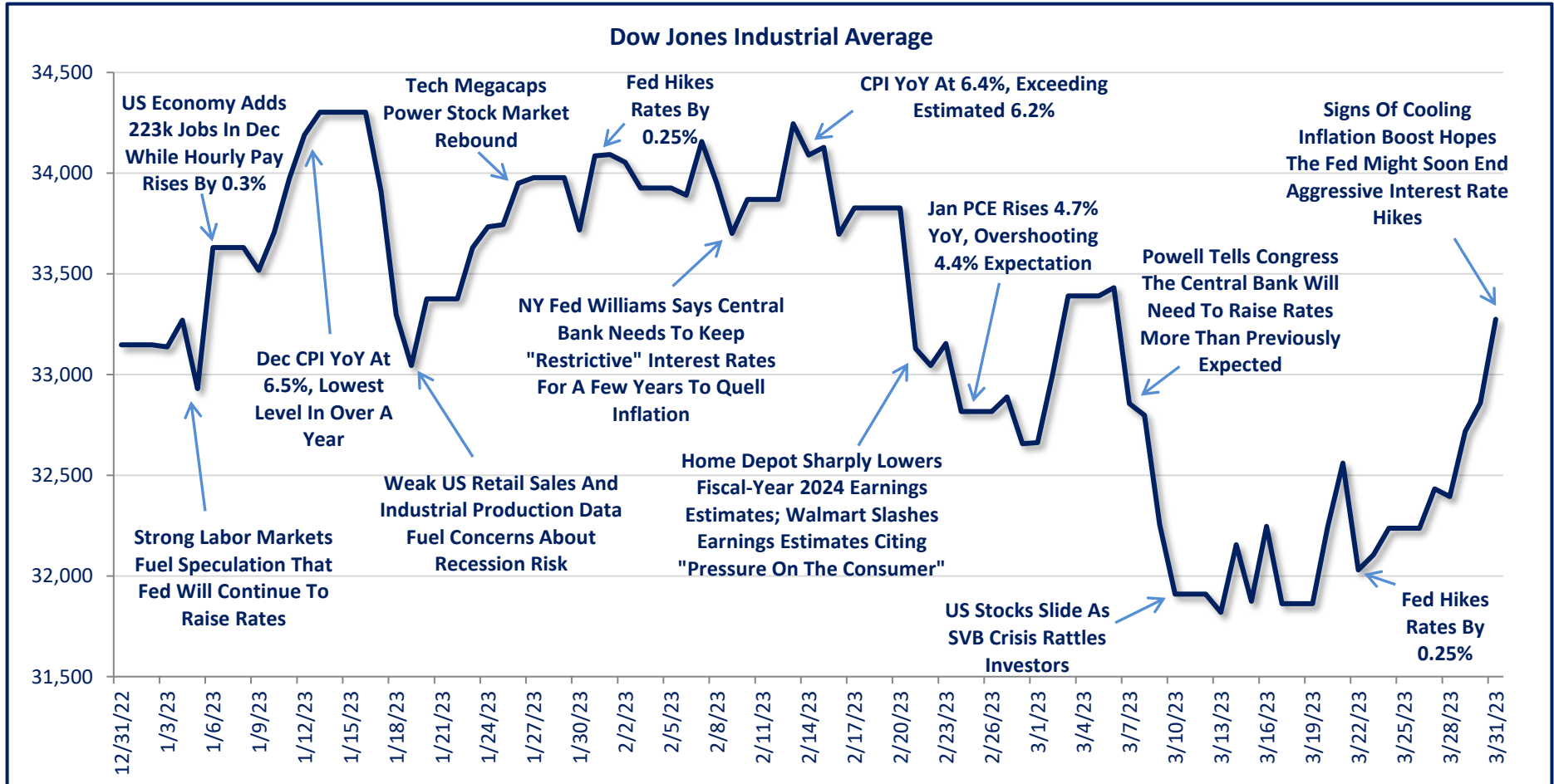
Source: Bloomberg

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Sources: Bloomberg, FHN Main Street

Economic and Market Update 3/31/2023



Sources: Bloomberg, FHN Financial, FHN Main Street

Disclosure

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APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



CALIFORNIA
ENDORSEMENT TO
MUNICIPAL BOND
INSURANCE POLICY
NO.

This Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 15.2 of Chapter 1 of Part 2 of Division 1 of the California Law.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

Authorized Officer

